EUROPEAN CENTRAL BANK

BANKING SUPERVISION

Feedback statement

Responses to the public consultation on revisions to the ECB's options and discretions policies

March 2022

Contents

This document provides an overview of the comments received during the public consultation on draft revisions to the ECB's options and discretions policies. Furthermore, it provides an assessment of those comments and explains the amendments made to the relevant policy instruments as a result of the public consultation.

1 Introduction and overview of responses

1.1 Context

On 29 June 2021 the European Central Bank (ECB) launched a public consultation on updates to its harmonised policies for exercising the options and discretions (O&D) that it is allowed to exercise under European Union law when supervising banks. The public consultation ended on 30 August 2021.

The updates to the ECB's O&D policies were set out in four draft policy instruments:

1. a draft revised version of the ECB Guide on options and discretions available in Union law (hereinafter the "revised Guide");
2. a draft ECB Regulation amending Regulation (EU) 2016/445[1] on the exercise of options and discretions available in Union law (hereinafter the "amending Regulation");
3. a draft Recommendation amending Recommendation ECB/2017/10[2] on common specifications for the exercise of some options and discretions available in Union law by national competent authorities in relation to less significant institutions (hereinafter the "amending Recommendation");
4. a draft Guideline amending Guideline (EU) 2017/697[3] of the European Central Bank on the exercise of options and discretions available in Union law by national competent authorities in relation to less significant institutions (hereinafter the "amending Guideline").

The consultation was conducted to collect comments from relevant parties and to enhance transparency. The ECB has given due consideration to all the comments received during the consultation period.

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1 Regulation (EU) 2016/445 of the European Central Bank of 14 March 2016 on the exercise of options and discretions available in Union law (ECB/2016/4) (OJ L 78, 24.3.2016, p. 60).

2 Recommendation of the European Central Bank of 4 April 2017 on common specifications for the exercise of some options and discretions available in Union law by national competent authorities in relation to less significant institutions (ECB/2017/10) (OJ C 120, 13.4.2017, p. 2).

3 Guideline (EU) 2017/697 of the European Central Bank of 4 April 2017 on the exercise of options and discretions available in Union law by national competent authorities in relation to less significant institutions (ECB/2017/9) (OJ L 101, 13.4.2017, p. 156).

1.2 Response overview

This feedback statement presents summaries of the comments received during the public consultation together with the ECB's feedback in relation to those comments. In total, 113 comments were received from ten different stakeholders. The respondents included nine banking associations and one international exchange organisation. The ECB received comments on all four of the revised policy instruments and the explanatory memorandum. In the following section, the ECB has grouped together comments concerning similar or identical issues. Feedback is thus provided on 50 specific issues raised by the consultation respondents.

As a result of the comments and the ECB's assessment of them, the ECB has made a small number of amendments to the revised Guide. In addition, the ECB has also introduced two minor changes to the revised Guide following further internal deliberations (concerning Section II, Chapter 1, paragraph 4 – Liquidity waivers and Section II, Chapter 6, paragraph 17 on Article 428h of the Capital Requirements Regulation (CRR)[4]). No changes have been introduced to the amending Regulation, the amending Recommendation or the amending Guideline.

1.3 Structure of this feedback statement

Section 2 provides a summary of the comments received on each of the four policy instruments and the explanatory memorandum, together with the ECB's response to those comments. For each comment, it is specified whether an amendment to the relevant policy instrument has been introduced. The tables in Sections 2.1 to 2.5 cover the feedback on the four policy instruments and the explanatory memorandum, respectively. The table in Section 2.6 covers the additional minor changes introduced by the ECB.

4 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).

2 Consultation responses and ECB feedback

2.1 The revised Guide

2.1.1 Comments on Section I, Chapter 3 – Options and discretions exercised in exceptional circumstances or in support of monetary policy

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 1: Exclusion of central bank reserves from the leverage ratio (Article 429a(5) of the CRR) **Page 5**	Spanish Banking Association	The respondent asked whether the ECB, in its capacity as competent authority, had consulted or would consult with other central banks regarding the existence of exceptional circumstances that would warrant the exclusion of central bank reserves held in third-country central banks from the leverage ratio.	With regard to the option provided for in Article 429a(5) of the CRR, the revised Guide only specifies that the ECB does not expect to receive applications from credit institutions and that, instead, it will exercise this option in exceptional circumstances and under the conditions set forth by the relevant legislative provisions. The specific modalities for exempting central bank exposures from the leverage ratio are not specified in the revised Guide.	No amendment
Paragraph 1: Preferential treatment of assets associated with certain non-standard, temporary operations conducted by central banks (Articles 428p (7) and 428aq (7) of the CRR) **Page 5**	Italian Banking Association	The respondent asked if the discretion related to the preferential treatment of assets associated with certain non-standard, temporary operations conducted by central banks provided for in Articles 428p(7) and 428aq (7) of the CRR will be exercised. The respondent referred to the recent long-term operations carried out by the ECB which, according to the respondent, may be in the scope of this discretion. Finally, the respondent pointed out that for future non-standard and temporary operations, it would be important to know from the outset if they would fall within the scope of this discretion and, if yes, whether preferential treatment would be applied to assets associated with such transactions.	While the ECB agrees that certain longer-term operations carried out by the ECB may potentially fall within the scope of non-standard, temporary operations (undertaken in a period of market-wide financial stress or in exceptional macroeconomic circumstances) referred to in Article 428p(7) of the CRR, the ECB does not yet have empirical evidence that suggests that the standardised required stable funding factors for encumbered assets would systematically hamper monetary policy transmission channels. In fact, first data for the reporting reference date 30 June 2021 indicate relatively comfortable net stable funding ratio (NSFR) levels well above the 100% minimum requirement, thus still providing sufficient leeway (in NSFR terms) for institutions to participate in such operations going forward.	No amendment

			The ECB will, however, carefully monitor future developments and will act accordingly (by considering exercising the discretion referred to in Article 428p(7) of the CRR) where it determines that the obligation to comply with the NSFR requirement may systematically hinder the effective transmission of monetary policy to the economy.

2.1.2 Comments on Section II, Chapter 1 – Consolidated supervision and waivers of prudential requirements

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 3: Derogation from the application of prudential requirements on an individual basis (Article 7 of the CRR) **Page 13**	German Banking Industry Committee	The respondent argued that the requirement for institutions to obtain written confirmation by the third-country competent authority responsible for the subsidiary that there are no practical impediments to the transfer of own funds or repayment of liabilities is unrealistic, given that third-country authorities would be unlikely to give such a far-reaching confirmation. The respondent asked the ECB to waive confirmation by the third-country competent authority at least for immaterial subsidiaries.	Point (2)(i) of the second bullet of paragraph 3 of this section of the revised Guide, which concerns Article 7(3) of the CRR, states the following: "the own funds held by subsidiaries located in the European Economic Area (EEA) are sufficient to grant the waiver to the parent institution (i.e. the granting of the waiver should not be justified on the basis of resources coming from third countries, unless official EU recognition of the equivalence of the third country is available and there are no other impediments)". Therefore, the written confirmation by a third-country competent authority would be expected only when the parent institution is reliant on the own funds of subsidiaries located in third countries recognised as EU equivalent. The condition under Article 7(3)(a) of the CRR requires that there is no current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities, regardless of the location of the subsidiary. The ECB deems that, in cases where a parent institution is relying on own funds located in EU-equivalent third countries, a written confirmation from the third-country competent authority is the appropriate tool for providing assurance that there is no impediment to the transfer of own funds or repayment of liabilities. Finally, please note that the ECB applies the principle of proportionality when assessing the individual applications of credit institutions.	No amendment
Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 14**	French Banking Association Association for Financial Markets in Europe European Association of Co-operative	Respondents suggested that where a liquidity waiver is granted, liquidity reporting requirements should, in general, also be waived.	Article 8 of the CRR enables competent authorities to waive in full or in part the application of the liquidity requirements laid down in Part Six of the CRR on an individual basis. The CRR therefore provides flexibility for competent authorities to waive the application of only some of the requirements referred to in Part Six of the CRR (and, in turn, to maintain the application of some of those requirements on an individual basis). In that respect, the ECB has not changed its existing policy: the ECB considers whether to grant a waiver of the application of	No amendment

	Banks German Banking Industry Committee European Savings and Retail Banking Group		the liquidity reporting requirements referred to in Article 430(1)(d) of the CRR on an individual basis only in exceptional cases. Such exceptional cases may correspond to a situation where continuing to receive liquidity reporting data on an individual basis is of negligible interest for the ECB, e.g. where a liquidity sub-group may only comprise one large (parent) institution and very small (subsidiary) institutions or where the ECB does not intend to (still) conduct the Supervisory Review and Evaluation Process at the individual level of the relevant institutions. The ECB is aware that in an environment of abundant liquidity and funding, removing the reporting burden associated with the application of liquidity reporting requirements on an individual basis may currently be the most relevant reason for applying for a waiver in accordance with Article 8 of the CRR. However, the ECB considers it essential for it still to be able to monitor the liquidity position of the individual institutions within the liquidity sub-group. Despite the waiver of the application of the liquidity coverage ratio (LCR) and/or the NSFR requirement on an individual basis, the relevant institutions still exist, legally and practically, and may therefore effectively be exposed to liquidity and funding risk at individual level. On this basis, the ECB has a legitimate interest to assess the liquidity resilience of the individual institutions, also with a view to identifying potential vulnerabilities at individual level which may also potentially trigger negative repercussions for the stability and soundness of the liquidity sub-group as a whole.	
Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 14**	French Banking Association Association for Financial Markets in Europe	The respondents suggested deleting the first sentence of paragraph (2)(ii) within “General conditions – all waiver applications”, which specifies that credit institutions applying for a liquidity waiver should provide “internal monitoring reports which confirm a sound liquidity and/or funding position”. The respondents argued that the ECB would have already received such reports from significant institutions (SIs), so providing them again would generate unnecessary workload for the industry.	With respect to the requirement laid down in Article 8(1)(a) of the CRR, the ECB expects, among other things, the institution to confirm a sound liquidity and/or funding position. This would be demonstrated by an adequate level of liquidity and/or funding management and control over the past two years. Since available information provided by the institution to the ECB in the context of regulatory reporting or ongoing supervision may not necessarily be sufficient to prove such a level in each and every case, reference is made to the institution providing internal monitoring reports. Where such evidence has already been made available to the ECB via different channels in the past, and provided such evidence is still applicable, the ECB would consider it sufficient for the institution to include a concrete reference to the existing	No amendment

			documentation in its application. As this is more related to format than substance (that is, how to specifically communicate such evidence), the ECB deems that the current wording does not need to be amended.	
Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 14**	French Banking Association Association for Financial Markets in Europe	The respondents argued that the wording related to the identification of "obstacles to the free transfer of funds" in the third sentence of paragraph (2)(ii) within "General conditions – all waiver applications" should be aligned with the wording of Article 8(2) and Article 32(8) of Delegated Regulation (EU) 2015/61[5].	With respect to the requirement laid down in Article 8(1)(a) of the CRR, the ECB expects, among other things, the institution to flag any obstacles to the free transfer of funds that may arise, either in normal or in stressed market conditions, from national liquidity provisions. Therefore, the scope of obstacles to be investigated here is explicitly limited to national liquidity provisions. By contrast, the obstacles referred to in Article 8(2) and Article 32(8) of Delegated Regulation (EU) 2015/61 are not limited to those stemming from national liquidity provisions but, instead, refer to any kind of restrictions (in third countries) constraining the transferability or convertibility of assets and liquidity inflows. On this basis, in view of the different scope, the ECB does not see a need to align the relevant wording.	No amendment

[5] Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (OJ L 11, 17.1.2015, p. 1).

Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 14**	European Savings and Retail Banking Group Association for Financial Markets in Europe	The respondents proposed that the ECB should delete the expectation for credit institutions to provide "a confirmation from the relevant national competent authority that the national liquidity provisions, where applicable, do not contain material practical or legal impediments to the fulfilment of the contract". One respondent pointed out that, with the introduction and full phase-in of the LCR and NSFR, there would no longer be any (Pillar 1) national liquidity provisions in place, while another respondent highlighted that such a confirmation should in any case not be provided by the entity requesting the waiver but rather through communication between competent authorities.	On substance, it is true that with the full phase-in and implementation of the LCR and the NSFR, the CRR no longer allows for any national liquidity/funding requirements based on Article 412(5) and Article 413(4) of the CRR. Still, national rules on liquidity and funding may be (indirectly) imposed via macroprudential measures based on Article 458 of the CRR. Where such measures do exist, national competent authorities (NCAs) should still be asked to confirm that existing provisions do not contain material practical or legal impediments to the fulfilment of the contracts referred to in Article 8(1)(c) of the CRR. On process, the ECB agrees that it would be more appropriate for the ECB to communicate directly with the relevant NCAs instead of requiring the applicant institution to separately ask for confirmation from the relevant NCAs. Therefore, the ECB has decided to delete the expectation that credit institutions provide confirmation from the relevant NCAs and has instead specified that it will seek confirmation from the relevant NCA that the national liquidity and/or funding provisions, where applicable, do not contain material practical or legal impediments to the fulfilment of the contract.	Amendment suggested
Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 15**	French Banking Association Association for Financial Markets in Europe	The respondents suggested deleting the expectation for credit institutions applying for a waiver to provide a legal opinion confirming that contracts providing for the free movement of funds contain no provisions that would prevent or limit their exercise (point (ii) of paragraph 4 within "General conditions – all waiver applications") and supporting the absence of legal impediments e.g. with regard to national insolvency laws (point (i) of paragraph 5 within "General conditions – all waiver applications"). The respondents pointed out that these expectations are not expressly stated in Article 8 of the CRR and that it is a generally accepted and principle of law that it is impossible to provide evidence of a negative fact.	The contracts referred to in Article 8(1)(c) of the CRR are one of the key requirements for a waiver of the application of prudential liquidity requirements laid down in Part Six of the CRR on an individual basis pursuant to Article 8 of the CRR. As such, they serve a specific prudential purpose, namely to account for the fact that institutions are no longer required to comply with prudential liquidity requirements on an individual basis but still need to have access to sufficient liquidity (if needed) from other members of the liquidity sub-group in order to cover their individual obligations as they become due. In this regard, the ECB considers it essential that the free movement of funds and the ability to meet individual and joint obligations as they come due are not subject to any conditions that may prevent or limit their exercise. This requires careful drafting (and internal review) of the contracts to be set up between the institutions that will form part of the liquidity sub-group. In the ECB's view, a legal opinion, issued either by an external independent third party or by an internal legal department and approved by the management body, is most appropriate to demonstrate the accuracy of the contracts with respect to the	No amendment

			above considerations.	
Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 15**	German Banking Industry Committee	The respondent suggested that the expectation for contracts providing for the free movement of funds not to be unilaterally cancellable (point (iii) of paragraph 4 within "General conditions – all waiver applications") is highly restrictive for cases where the sale of a subsidiary is intended. The respondent asked for an opening clause allowing conditional termination of the contract (e.g. in the event of sale) to be introduced in the Guide.	The existent wording already provides for the possibility to properly consider a structural change of existing liquidity sub-groups without undue delay, and the ECB does not see the need to add further flexibility with respect to the cancellation of the contracts. Specifically, as usually reflected in the wording of waiver decisions issued by the ECB, where the set-up that provided the basis for the initial granting of the waiver decision no longer reflects the state of affairs (which would also be the case if a member of an existing liquidity sub-group was to be sold), the ECB will review those decisions with a view to fully or partially revoking them. In accordance with footnote 15 of the revised Guide, the contracts referred to in Article 8(1)(c) of the CRR are expected to include a clause providing that if the competent authority revokes the waiver, the contract may be cancelled unilaterally with immediate effect.	No amendment
Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 15**	French Banking Association Dutch Banking Association Association for Financial Markets in Europe	The respondents suggested deleting the expectation for credit institutions to provide an internal assessment which concludes that the waiver has no disproportionate negative effects on the resolution plan (point (iv) of paragraph 5 within "General conditions – all waiver applications"). The respondents pointed out that the resolution plan is not in the hands of the credit institution – it is prepared by the Single Resolution Board.	In principle, the objective of a liquidity waiver pursuant to Article 8 of the CRR is to facilitate the centralised management of liquidity and funding. When assessing the application for such a waiver, it is important, among other things, to ensure that it would be compatible with the chosen resolution strategy (which is an integral part of the resolution plan and discussed with institutions at least annually). In that respect, the applicant institution should demonstrate that the liquidity waiver (and the way liquidity management will be conducted following the approval of the waiver) does not hamper (or conflict with) the resolution plan. For instance, while the case of a multiple point of entry (MPE) resolution strategy may not result in an automatic rejection of an application for a liquidity waiver pursuant to Article 8 of the CRR, the ECB will carefully examine the extent to which the two concepts are compatible in concrete cases. This is particularly important given that an MPE resolution strategy is generally characterised by decentralised treasury management and a low level of legal interconnectedness, i.e. arrangements that are potentially contrary to the arrangements typically associated with liquidity waivers. An example of where an MPE resolution strategy might be compatible with a liquidity waiver pursuant to Article 8 of the CRR would be when the entities to be included in the liquidity sub-group are part of the same	No amendment

			resolution group.	
Paragraph 4. Liquidity waivers (Article 8 of the CRR) **Page 16**	French Banking Association Association for Financial Markets in Europe	The respondents asked for a reduction of the time limit (if applicable) and notice period associated with contracts for NSFR waivers from 18 months to six months. The respondents pointed out that a period of six months would be sufficient and in line with the specifications for contracts for LCR waivers.	The ECB is of the view that the time limit/notice period for the contracts required for NSFR waivers should be at least 18 months. The purpose of the time limit/notice period is to ensure that, in the event that a waiver ceases to apply, the credit institution will still have recourse to liquidity/funding provided by other group members for a period of time during which the institution would need to build up its capacity to comply with the NSFR on a standalone basis. There are countervailing factors to be considered when determining the duration of these time limits/notice periods. A shorter time limit/notice period could be seen as a stricter requirement, in so far as the credit institution would need to establish self-standing funding arrangements more quickly. Conversely, a longer notice period provides greater security, to the extent that the institution will have recourse to liquidity provided by other group members for a longer period of time. On balance, the ECB considers that the greater safeguard provided by a longer duration outweighs the benefits of credit institutions needing to establish self-standing funding arrangements more quickly in the event of a waiver ceasing to apply.	No amendment

Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 17**	French Banking Association Association for Financial Markets in Europe	The respondents asked the ECB to clarify the rationale for its specification that, with regard to Article 8(3)(b) of the CRR, the ECB would deem it appropriate for significant entities or significant groups of sub-entities to maintain an amount of high-quality liquid assets (HQLA) and available stable funding (ASF) equal to 75% of the level of HQLA and ASF that would be required in order to comply with the LCR and NSFR requirements at the solo or sub-consolidated levels. The respondents also asked the ECB to maintain the possibility envisaged in the 2016 ECB Guide of reviewing the aforementioned threshold and setting a lower threshold of 50%, consistent with EU ambitions for the banking union.	The ECB supports the use of cross-border liquidity waivers as a means to achieve more efficient centralised management of liquidity and funding. The ECB is of the view that requiring a significant sub-entity or significant group of sub-entities to maintain an amount of HQLA and ASF of 75% of the level that would be required to comply with the LCR or NSFR requirement at the solo or sub-consolidated level would, in principle, strike an appropriate balance between promoting the free flow of liquidity within cross-border groups and ensuring that a sufficient amount of liquidity and stable funding continue to be available at the level of significant sub-entities or groups of sub-entities in a cross-border context. The removal of the review clause with respect to this guidance does not preclude the ECB from adjusting its policy in future, for example, if it concludes that the development of institutional mechanisms concerning the safety and freedom of cross-border intragroup liquidity flows justifies maintaining lower levels of HQLA or ASF at the level of significant sub-entities or groups of sub-entities.	No amendment
Paragraph 4. Liquidity waivers (Article 8 of the CRR) **Page 18**	Association for Financial Markets in Europe German Banking Industry Committee French Banking Association	The respondents argued that the expectation in point (i) within “Documentation for Article 8 of the CRR”, according to which credit institutions should submit a cover letter signed by the credit institution’s chief executive officer (CEO), with approval from the management body, stating that the credit institution complies with all of the waiver criteria as set out in Article 8 of the CRR, is an unnecessary and considerable burden for large groups with a substantial amount of subsidiaries.	A liquidity waiver pursuant to Article 8 of the CRR allows for a more flexible allocation of liquidity and funding within the liquidity sub-group. At the same time, it requires reliable centralised management of liquidity and funding as well as explicit commitments between the institutions that are part of the liquidity sub-group to provide each other with liquidity (if needed). It is important that the wide-ranging implications of a liquidity waiver are fully understood and acknowledged by the top management of the institution. The ECB therefore considers it necessary for the cover letter to be signed by the CEO, with approval from the management body.	No amendment
Paragraph 8: Consolidation (Article 18(7) of the CRR) **Page 20**	European Savings and Retail Banking Group German Banking Industry Committee	The respondents stressed that the expectation that credit institutions submit an application with “[…] (ii) a qualitative and quantitative assessment of the alleged inadequate reflection of risks or undue burden if the equity method is applied; and (iii) evidence that the alternative approach leads to a treatment that is as prudent as that resulting from the application of the equity method” in order to comply with the conditions set out in Article 18(7) of the CRR is disproportionate, as it means that the institutions would have to regularly calculate the equity method (which they actually	In accordance with Article 18(7) of the CRR, when an institution has a subsidiary which is an undertaking other than an institution, financial institution or an ancillary services undertaking or holds a participation in such an undertaking, it must apply to that subsidiary or participation the equity method. By derogation, the second subparagraph of Article 18(7) provides that competent authorities may allow or require institutions to apply a method different from the equity method if the conditions as laid down in Article 18(7) are met. This option may be exercised only where compliance with all the conditions	No amendment

		want to avoid) in order to provide the necessary evidence.	set out in that Article can be demonstrated. Among other things, Article 18(7)(b) of the CRR establishes the condition that applying a method other than the equity method could be allowed if it would be unduly burdensome to apply the equity method or the equity method does not adequately reflect the risks that the undertaking poses to the institution. To ensure compliance with this requirement and to avoid any unintentional advantageous treatment by applying a method other than the equity method, the ECB is of the opinion that the information request as set out in the revised Guide is essential. (1) In the case of permission being sought under the argument that the equity method does not adequately reflect the risks that the undertaking poses to the institution, the obligation to submit a qualitative and quantitative assessment of the alleged inadequate reflection of risks is needed in order to establish the necessary proof required under the CRR. Moreover, in its role as prudential supervisor, the ECB must be able to ensure that the alternative approach captures all the risks that an entity is exposed to and is thus as conservative as the equity method. (2) In the case of an application that intends to prove that the equity method is unduly burdensome, an assessment of the disproportionate effort of applying the equity method is required in order to establish such proof. As for point (1), the ECB is of the view that evidence is still needed that proves that the alternative approach is as prudent as the equity method. However, the ECB notes that the evidence may be substantiated in different ways. For an application under point (2), the evidence should not necessarily entail application of the equity method (since it is deemed unduly burdensome); more general evidence can be provided. The ECB would also like to highlight that there is no need for the institution to regularly re-establish this evidence. The assessment needs to be carried out when the institution seeks permission pursuant to Article 18(7) of the CRR and submits an application to the competent authority.	
Paragraph 9: Exclusion from consolidation (Article 19(2) of the CRR)	Spanish Banking Association	The respondent argued that the consolidated application of the requirement in this paragraph also to subsidiaries that do, not add risk to the group – other than the mere impairment of the value of the participation in its capital – might limit banks' competitiveness in an era of growing	The ECB disagrees with the statement that some subsidiaries of banking groups do not add risks to the group other than the potential loss of investment. This is because such subsidiaries may still pose other risks to the group (e.g. operational risks). Pursuant to Article 18 of the CRR, institutions, financial	No amendment

Page 20		competitive pressure. Therefore, the respondent pointed out that consideration should be given to the need to apply the principle of proportionality within the prudential framework, taking into account the specific activity carried out by that subsidiary and the related risk, for subsidiaries of banking groups that do not add risks to the group other than the potential loss of the investment.	institutions, and ancillary services undertakings are to be included in the scope of prudential consolidation. As an exception to the general rule contained in Article 18, Article 19 of the CRR grants the competent authority responsible for exercising supervision on a consolidated basis pursuant to Article 111 of the Capital Requirements Directive (CRD IV)[6] the possibility to exclude an institution, financial institution, or ancillary services undertaking from the scope of prudential consolidation. The legal text of the CRR does not allow the competent authority to apply the provisions of Article 19(2) of the CRR to any situation other than those mentioned under said Article. The respondent's suggestion to exclude the subsidiaries described as not adding risks to the group other than the potential loss of the investment if they are institutions, financial institutions, and ancillary services undertakings can therefore only be addressed by amending the Level 1 text of the CRR and is, therefore, not within the scope of the revised Guide. Moreover, the principle of proportionality is inherently embedded in the provisions of the CRR, as it requires the specific situation of the institution, financial institution, or ancillary services undertaking in question to be taken into account. Giving due consideration to the objective of microprudential supervision and the principles set out in Article 36(1)(i), Article 43 and Article 48 of the CRR concerning deductions of significant investments in financial sector entities, the ECB is of the opinion that its approach to exercising the respective discretion is not unduly burdensome or restrictive for banks and, at the same time, safeguards the quantity and quality of an institution's own funds.	
Paragraph 9 Exclusion from consolidation (Article 19(2) of the CRR) **Page 20**	European Association of Co-operative Banks European Savings and	First, the respondents suggested that the revised Guide went beyond the framework conditions set out in the CRR, as Article 19(2) of the CRR does not set out that a waiver can only be granted if an undertaking is negligible in respect of all risks at the same time. Second, the respondents criticised the use of the word	On the first point, the ECB agrees with the comment and has amended the relevant paragraph of the revised Guide accordingly. On the second point related to the word "exceptional" in the first sentence of paragraph 9, the ECB notes that in accordance with, and based on the conditions of, Article 19(2) of the CRR,	Amendment suggested

[6] 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).

	Retail Banking Group German Banking Industry Committee	“exceptional” to describe the cases in which the ECB will permit the exclusion of a subsidiary or of an entity in which a participation is held from the scope of consolidation on the grounds that such treatment is also not covered by the CRR. Third, the respondents pointed out that under nGAAP rules, immaterial holdings are normally exempted from the consolidation requirement and that, in the case of larger institutions, these exemptions can quickly exceed an aggregate amount of €10 million, up to which non-inclusion would be allowed under Article 19(1) of the CRR even without a case-by-case decision.	the ECB has the possibility to decide on the exclusion from consolidation on a case-by-case basis. The regulatory text does not establish a mandatory right for an institution but rather an option and discretion for the competent authority. The ECB is of the view that a situation where an undertaking can be considered of negligible interest only with respect to the objectives of monitoring credit institutions is exceptional. On the third aspect related to immaterial holdings, the ECB notes that the definition of immaterial holdings for accounting purposes (nGAAP) differs from how immateriality is to be assessed pursuant to the prudential framework under Article 19(1) of the CRR. A competent authority is to apply the conditions of Article 19(1) CRR and, in the absence of changes to the Level 1 text of the CRR, a competent authority cannot rely on the accounting definition of immateriality. Second, it is already the case that individual holdings need not be included in the scope of prudential consolidation if they meet the conditions of Article 19(1) of the CRR, as long as the several undertakings that are excluded do not fall under the situation as described in Article 19(3) of the CRR (collectively of non-negligible interest). The ECB would therefore understand that banks first exhaust their possibility under Article 19(1) of the CRR before applying for a case-by-case exclusion pursuant to Article 19(2) of the CRR. This avoids applying for case-by-case decisions for a large number of holdings that are anyway individually below the thresholds set out in Article 19(1) of the CRR; this is of course conditional on the provisions of Article 19(3) of the CRR.

2.1.3 Comments on Section II, Chapter 2 – Own funds

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 3: Classification of subsequent issuances as Common Equity Tier 1 instruments (Article 26(3) of the CRR) **Page 22**	French Banking Association Association for Financial Markets in Europe	The respondents suggested that the notification procedure for subsequent issuances of CET1 instruments in jurisdictions where share issuances cannot vary is too cumbersome and asked for a simplified procedure so as to avoid unnecessary administrative burden in these cases.	There are two conditions to be met in order to be able to derogate from the usual prior permission procedure. One is that the instruments must be substantially the same as those for which a prior permission was already granted. To assess whether this condition is met, this process and information are needed. See also paragraphs 57-58 of the EBA Report on the monitoring of CET1 instruments issued by EU institutions.	No amendment
Paragraph 3: Classification of subsequent issuances as Common Equity Tier 1 instruments (Article 26(3) of the CRR) **Page 22**	German Banking Industry Committee	The respondent suggested that the notification process proposed in the revised Guide constituted an indirect approval process, which would be contrary to the intentions of lawmakers. Additionally, the respondent asked the ECB to modify the process so that immediate classification of subsequent issuances by the institutions as CET1 instruments would be possible.	There are two conditions to be met in order to be able to derogate from the usual prior permission procedure: (a) the provisions governing the subsequent issuances are substantially the same as the provisions governing those issuances for which the institutions have already received permission; (b) institutions have notified the competent authorities of the subsequent issuances sufficiently in advance of their classification as Common Equity Tier 1 instruments. Condition (b) implies that no immediate classification is foreseen. The ECB deems that the 20 calendar-day window in which condition (a) is assessed is both sufficient and prompt compared with the usual process for applying for permission. Please note that the ECB needs to assess that condition (a) is met and that the subsequent issuance is indeed substantially the same as the provisions governing previous issuances for which permission was already received. Therefore, the conditions of Article 28 or Article 29 of the CRR, where applicable, are not subject to the assessment and thus the notification procedure cannot be compared to the usual approval process. Finally, please note that if a bank submits all the required documentation in a timely manner, the ECB may conclude and communicate its assessment of condition (a) before the end of the 20 calendar-day period.	No amendment

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 5: Deduction of insurance holdings (Article 49(1) of the CRR) **Page 23**	Spanish Banking Association	The respondent asked for further details regarding the application to be submitted to the ECB for the non-deduction of own funds holdings in financial sector entities.	The ECB is of the view that Article 49(1) of the CRR provides sufficient details in this regard.	No amendment
Paragraph 7: Calculation of the trigger of Additional Tier 1 instruments issued by subsidiary undertakings established in a third country (Article 54(1)(e) of the CRR) **Page 24**	French Banking Association Association for Financial Markets in Europe Spanish Banking Association	The respondents pointed out that the requirement according to which the ECB must consult with the European Banking Authority (EBA) to confirm the assessment of equivalence may lead to an unduly lengthy process and timeline. Respondents therefore suggested that a deadline should be defined after which it can be deemed that the ECB considers the national law of the third country or the contractual provisions governing AT1 instruments as equivalent to the requirements set out in Article 54 of the CRR. Another respondent suggested that the ECB should proactively ask the EBA for an opinion for each third-country jurisdiction on whether the conversion trigger under third-country law is equivalent to the trigger as defined in Article 54.	The ECB notes that the consultation with the EBA is required by the CRR. No time limit or presumption of equivalence is included in the CRR and the ECB does not consider it appropriate to introduce such a presumption. The ECB further notes that Article 54(1)(e) of the CRR requires an assessment of the contractual provisions of the issuances, not just an assessment of the national law of the third country. Therefore, the assessment of whether Article 54(1)(e) of the CRR is complied with is to be performed on a case-by-case basis and, as a result, cannot be frontloaded ex ante or based solely on the jurisdiction of the issuing subsidiary. In addition, it is a responsibility of the credit institution to ensure, and demonstrate, that its AT1 issuances comply with Article 54(1)(e) of the CRR. Therefore, before a subsidiary undertaking in a third country issues an AT1 instrument, banks should conduct a proper assessment to verify compliance with the relevant provisions.	No amendment
Paragraph 8: Reduction of own funds: excess capital margin requirement (Article 78(1)(b) of the CRR) **Page 24**	French Banking Association Association for Financial Markets in Europe	The respondents suggested deleting the expectation that credit institutions should exceed the relevant margins over a three-year horizon. The respondents suggested that this expectation would be an unnecessary operational burden both for banks and for the ECB, and that it goes beyond the CRR.	The ECB notes that the CRR requires the institution to demonstrate, to the satisfaction of the competent authority, that its own funds and eligible liabilities would, following the action referred to in Article 77(1) of the CRR, exceed the requirements laid down in the CRR, CRD IV and the Bank Recovery and Resolution Directive[7] by a margin the competent authority considers necessary. The CRR requires banks to adhere to this margin after the reduction as well (not only at the time of the reduction).	No amendment

[7] Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L173, 12.6.2014, p. 190).

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
			In addition, Commission Delegated Regulation (EU) No 241/2014[8] requires banks to submit information over a three-year forward-looking period. The ECB is of the view that the requirement for this information to be submitted means that this information has to be taken into account in the assessment and that it can be inferred that compliance with the requirements by a margin the competent authority considers necessary extends to this three-year period.	
Paragraph 11: Reduction of Additional Tier 1 or Tier 2 instruments during the five years following their date of issuance (Article 78(4) of the CRR) **Page 25**	Spanish Banking Association	The respondent suggested that the ECB should consider reductions in the cost of issuance as constituting "exceptional circumstances" for the purposes of Article 78(4)(d) of the CRR, and that the ECB should permit credit institutions to perform the actions referred to in Article 78(4)(d) of the CRR without providing justification, as long as the old issuance is replaced by another issuance of the same or higher quality. The respondent further suggested that if the old issuance was not replaced, then the ECB should require that capital and MREL ratios exceed by a minimum margin the requirements in place for the institutions.	The ECB deems that the determination of whether a replacement would be beneficial from prudential point of view and justified by exceptional circumstances (Article78(4)(d) of the CRR) should be made on case-by-case basis (as for any prior permission to reduce own funds instruments). As the legislator did not predefine the term "exceptional circumstances", the ECB has chosen to also abstain from doing so. In addition, Article 78(4)(d) of the CRR requires that, before or at the same time as the action referred to in Article 77(1), the institution replace the instruments or related share premium accounts referred to in Article 77(1) with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the institution. Therefore, prior permission under 78(4)(d) of the CRR without replacement is not possible.	No amendment

[8] Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for Own Funds requirements for institutions (OJ L 74, 14.3.2014, p. 8).

2.1.4 Comments on Section II, Chapter 3 – Capital requirements

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 4: Maturity of exposures (Article 162 of the CRR) **Page 29**	French Banking Association European Association of Co-operative Banks European Savings and Retail Banking Group Association for Financial Markets in Europe Spanish Banking Association Italian Banking Association	The respondents asked the ECB to consider allowing the use of the effective maturity for the foundation IRB approach.	Article 162(1) of the CRR allows the competent authorities to decide on whether the institution should use maturity (M) for each exposure as set out under Article 162(2) of the CRR. In that respect, the ECB considers that it is appropriate to require the use of the maturity value (M) as defined in the first sub-paragraph of Article 162(1) of the CRR, and not to allow the use of the maturity set out in Article 162(2) where institutions have not received permission to use their own loss given default and conversion factors for exposures to corporates, institutions or central governments and central banks. Further changes to Article 162 of the CRR in view of Basel III will be considered in future updates of the O&D Guide, if deemed appropriate.	No amendment

2.1.5 Comments on Section II, Chapter 4 – Institutional protection schemes

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 5: Recognition of institutional protection schemes for prudential purposes (Article 113(7) of the CRR) **Page 35**	European Savings and Retail Banking Group German Banking Industry Committee European Association of Co-operative Banks	The respondents pointed out that while the wording in Section II, Chapter 4, paragraph 5(3)(iii) of the English version of the revised Guide remains unchanged, the German version replaces the wording “eindeutig zugesagt” with “eindeutig verpflichtet”. The respondents asked to keep the German version as it is currently.	The ECB agrees with respondents, and the translation will be changed back to “eindeutig zugesagt”.	Amendment suggested

2.1.6 Comments on Section II, Chapter 5 – Large exposures

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 3: Compliance with the large exposure requirements (Articles 395 and 396 of the CRR) **Page 39**	French Banking Association Association for Financial Markets in Europe	The respondents suggested restricting the scope of Chapter 5 paragraph 3, concerning the actions the ECB will take in the event that credit institutions fail to comply with the large exposure limit to non-group exposures, or at least excluding EU intragroup exposures. The respondents considered that restrictions on intragroup exposures are inconsistent with the principle of free circulation of capital and liquidity within the euro area and would overlap with the EU resolution framework and act as an impediment to the banking union.	Paragraph 3 of Chapter 5 in Section II of the revised Guide provides guidance on the actions the ECB will take in the event that credit institutions fail to comply with the large exposure requirements (pursuant to Articles 395 and 396 of the CRR). This paragraph is substantially unchanged from the previous version of the O&D Guide. The ECB considers that it would be inappropriate to limit this paragraph to non-group exposures, or to exclude intra-EU intragroup exposures from its scope. Article 395 of the CRR does not include a discretion for the competent authority to exclude certain exposures from the application of the large exposure limits. Under Article 400(2)(c) of the CRR, intragroup exposures (whether to entities located within the EU or in third countries) may be exempted from the large exposures limit at the discretion of competent authorities and only provided that relevant criteria are met. If those criteria are not met, intragroup exposures are not exempted from the large exposures limit and, if the limit is breached, the ECB may require an institution to take rapid corrective action, in accordance with the guidance set out in paragraph 3 of Section II, Chapter 5 of the revised Guide.	No amendment
Paragraph 4: Exemptions from the limits to large exposures: third-country intragroup exposures (Article 400(2)(c) of the CRR) **Page 40**	Dutch Banking Association Association for Financial Markets in Europe	The respondents asked for clarification on the use of the wording “hinder in any way” in point (iv) of paragraph 4. The respondent stressed that this wording creates the impression that ECB aims for additional limitations or requirements to be considered beyond the ones mentioned in Annex 1 of Regulation (EU) 2016/445.	The ECB agrees with the respondents, so the wording “in any way” will be deleted, thereby aligning the wording of this provision with the wording of the O&D Regulation.	Amendment suggested
Paragraph 4: Exemptions from the limits to large exposures: third-country intragroup exposures (Article 400(2)(c) of the CRR)	Dutch Banking Association Association for Financial Markets in	The respondents argued that the expectation for adequate arrangements to be in place for the exchange of information between the ECB and third countries should be clarified or deleted as only the ECB can ensure fulfilment of this requirement.	The ECB has entered into Memoranda of Understanding (MoUs) with several third-country authorities. Where an MoU is in place, the arrangements would generally be considered adequate. However, the existence of an MoU is not a necessary condition for the ECB to grant the exemption. The ECB will consider each application on a case-by-case basis	No amendment

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Page 40	Europe		and may still approve an application even when there is no MoU in place.	
Paragraph 4: Exemptions from the limits to large exposures: third-country intragroup exposures (Article 400(2)(c) of the CRR) **Page 40** **Article 1(2) of the amending Regulation concerning Article 9(3) of Regulation (EU) 2016/445** **Page 27 of the explanatory memorandum**	Deutsche Börse Group Association for Financial Markets in Europe Dutch Banking Association	One respondent welcomed the proposal to require ex ante case-by-case supervisory approval of exemptions of intragroup exposures involving entities in third countries from the large exposures limit. The respondent thought that the proposed change would ensure that concentration risks arising from the systematic use of back-to-back booking practices between different entities in consolidated banking groups are adequately monitored and controlled by EU authorities. By contrast, other respondents disagreed with the proposal. These respondents highlighted the following factors. 1. Commission Delegated Regulation (EU) 2021/237 (the Clearing RTS Amending Regulation)[9] extends the intragroup clearing exemption to cover transactions between EU and third-country entities until 30 June 2022. The respondent was of the view that the ECB should not pre-empt this process as it could lead to additional operational complexities and market dislocation. 2. The proposed changes come before publication of the EBA's report on the quantitative impact of removal of certain large exposure exemptions, including those covered under Article 400(2)(c) and (d) of the CRR. The respondents suggested that the ECB should take this into account before making any decisions in this area, as it could lead to an even more fragmented approach. 3. Owing to the national implementation of large exposure limits, the changes would not ensure a level playing field between credit institutions under ECB supervision. The respondent suggested that any changes should be postponed until the transitional national discretion expires. 4. The ECB should consider the global implications of	The ECB is of the view that the proposed changes regarding intragroup exposures in third countries are necessary to complement the ECB's supervisory expectations on booking models that were published in 2018. In line with the EBA opinion on issues related to the departure of the United Kingdom from the European Union, the ECB pays special attention to large exposures or concentration risk related to certain counterparties resulting from the systematic use of back-to-back booking practices between different entities in consolidated banking groups. This is a prudential concern which was not of the same importance when the ECB Regulation and the ECB Guide were first introduced. The ECB does not consider this change to be pre-empting the Clearing RTS Amending Regulation. The clearing obligation pursuant to Regulation (EU) No 648/2012[10] and the requirement to observe limits with respect to large exposures under the CRR are legally distinct provisions contained in separate legal acts. The ECB is aware of the EBA's work to report on the quantitative impact of removing certain large exposure exemptions, including those covered under Article 400(2)(c) and (d) of the CRR. If warranted, the ECB will take the conclusions of the EBA report or any subsequent legislative changes into account in future revisions of its O&D policies. The ECB recognises that the change to its policy will not affect banks located in Member States which have exercised the transitional provisions in Article 493 of the CRR. However, it does not follow that amendments to the ECB policy will adversely affect the level playing field between the different institutions under the ECB's supervision. This is because the existing ECB policy, which the ECB is changing with this revision, does not currently apply to banks in those	No amendment

[9] Commission Delegated Regulation (EU) 2021/237 of 21 December 2020 amending regulatory technical standards laid down in Delegated Regulations (EU) 2015/2205, (EU) 2016/592 and (EU) 2016/1178 as regards the date at which the clearing obligation takes effect for certain types of contracts (OJ L 56, 17.2.2021, p. 6).

[10] Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
		creating more restrictions on intragroup large exposures, so as to avoid undermining the globally accepted model of centralised risk management and triggering further ring-fencing of capital and liquidity. 5. The ECB should also consider the risk of other jurisdictions introducing similar measures, which could constrain the capital management and financing capacity of European banks.	Member States. The ECB notes that the revised Guide sets out a non-exhaustive set of factors that the Joint Supervisory Teams will consider, as appropriate, when reviewing applications to exempt intragroup exposures in third countries. This guidance is non-binding and supervisors can always depart from it where duly justified. Therefore, the additional guidance provided in the Guide does not exceed or contradict the ECB Regulation on options and discretions. Finally, the ECB would like to reiterate that requiring ex ante supervisory approval for exemptions of third-country intragroup exposures from the large exposures limit is not intended to prevent banks from incurring such exposures. Rather, it merely aims to increase the level of supervisory oversight of banks' use of those exemptions and their compliance with the requisite conditions under Article 400(3) of the CRR, as further specified in Annex 1 of the O&D Regulation.	

2.1.7 Comments on Section II, Chapter 6 – Liquidity

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 3: Compliance with liquidity requirements (Article 414 of the CRR) **Page 42**	French Banking Association	The respondent argued that the statement specifying that credit institutions are expected to comply with the liquidity reporting requirements at all times is not related to the topic of options and discretions, the focus of the revised Guide, and should therefore be withdrawn.	The ECB agrees with the comment and has amended the revised Guide accordingly.	Amendment suggested
Paragraph 3: Compliance with liquidity requirements (Article 414 of the CRR) **Page 42**	Association for Financial Markets in Europe	The respondent asked for clarification on the frequency of liquidity reporting during a period of stress. The respondent suggested that it would be appropriate for the ECB to clarify that the expectation for daily LCR reporting is for submissions to be made on a T+2 basis. With respect to the NSFR, the respondent suggested the reporting requirements should be proportionate to the longer nature of the requirement and should be less frequent than the daily reporting expectations for LCR, alongside a longer submission period.	In accordance with Article 414 of the CRR, until compliance with the requirements set out in Article 412 or Article 413(1) of the CRR has been restored, institutions must report the items referred to in Title III, in Title IV, in the implementing act referred to in Article 415(3) or (3a) or in the delegated act referred to in Article 460(1) of the CRR, as appropriate, daily by the end of each business day unless the competent authority authorises a lower reporting frequency and a longer reporting delay. As further described under Article 414 of the CRR, competent authorities will only grant such authorisations based on the individual situation of the institution and taking into account the scale and complexity of the institution's activities. In that regard, the ECB will apply a case-by-case approach when deciding on lower reporting frequencies (than daily) and longer reporting delays (than by the end of each business day). It will consider the specific circumstances of the individual institutions and the (expected) volatility of the LCR and the NSFR (and their key components). For instance, lower reporting frequencies and/or longer reporting delays may be considered where the drop of the LCR or the NSFR below 100% has been triggered by a technical one-off event with no stress dimension and where there is no expectation of a further downturn of the relevant ratio.	No amendment
Paragraph 8: Higher outflow rates (Article 25(3) of Commission Delegated Regulation (EU) 2015/61)	French Banking Association Association for Financial Markets in	The respondents asked for vocabulary in the revised Guide to be fully aligned with the CRR and Delegated Regulation (EU) 2015/61, highlighting that the expression "aggressive marketing policies", for example, is not used in the CRR or in the Delegated Regulation (Article 25(2)).	Article 25(3) of Delegated Regulation (EU) 2015/61 enables competent authorities to apply a higher outflow rate to retail deposits referred to in that Article on a case-by-case basis where justified by the specific circumstances of the credit institution. In that respect, the guidance provided in the revised Guide is intended solely to provide some examples of specific	Amendment suggested

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Page 44	Europe		circumstances in which the ECB may consider applying higher outflow rates. Nevertheless, this process will not be automatic, and the ECB will always take a case-by-case approach. Regarding the reference to “aggressive marketing policies”, the ECB has clarified in the revised Guide that this refers to a situation where credit institutions offer remuneration rates that are significantly above the average. This will be added as an example in the existing paragraph.	
Required Stable funding factors (Article 428p(10) of the CRR)	Association for Financial Markets in Europe Italian Banking Association	The respondents argued that the revised Guide does not provide clarification on the provisions of the Article 428p(10) of the CRR as regards the NSFR.	The ECB’s approach to the discretion referred to in Article 428p(10) of the CRR is set out under Article 12a of the of amending Regulation (EU) 2016/445.	No amendment
Paragraph 9: Outflows with interdependent inflows (Article 26 of Commission Delegated Regulation (EU) 2015/61) **Page 45**	Dutch Banking Association Association for Financial Markets in Europe	The respondents asked the ECB to make it clear that, with respect to the condition under Article 26(c)(i) of Delegated Regulation (EU) 2015/61 that inflows should compulsory arise before the outflows, banks are not required to analyse the LCR cashflows on an intraday basis, as LCR and LCR stress tests are not designed to capture expected or unexpected intraday liquidity needs (as acknowledged by the Basel Committee in paragraph 30.26 of the LCR chapter of the Basel Framework).	The ECB understands that the LCR does not (intend to) capture expected or unexpected intraday liquidity needs (see for instance paragraph 30.26 of the Basel consolidated framework as well as FAQ 1b of the Basel LCR FAQs), but is generally understood to follow an “end-of-day” concept. At the same time, the EU legislator has not (yet) confirmed that the condition under Article 26(c)(i) of Delegated Regulation (EU) 2015/61, according to which the interdependent inflow has to arise compulsorily before the outflow, could be considered fulfilled where the interdependent inflow arises slightly after the associated outflow within the same day. For this reason, the ECB considers it preferable not to specify further guidance in relation to intraday mismatches, but rather to consider, on a case-by-case basis, the specific circumstances of individual applications, also paying due regard to proportionality and materiality.	No amendment
Paragraph 9: Outflows with interdependent inflows (Article 26 of Commission Delegated Regulation (EU) 2015/61)	Dutch Banking Association Association for Financial Markets in	The respondents argued that if an application of Article 26 of Delegated Regulation (EU) 2015/61 is approved in relation to a cash pooling arrangement involving accounts denominated in multiple currencies, such approval should also be granted with respect to the reporting in a currency subject to separate reporting in accordance with Article	The proposed approach of still requiring gross reporting of flows denominated in different currencies in the case of separate reporting as referred to in Article 415(2) of the CRR is consistent with LCR reporting requirements, according to which netting may only be applied to flows in the same currency (see paragraph 1.1.8 of Part 2 of Annex XXV of amended	No amendment

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Page 45	Europe	415(2) of the CRR. Respondents stressed that there is no merit in treating relevant flows on a gross basis for the purpose of LCR reporting in significant currencies if legally binding multi-currency cash pool arrangements are in place.	Regulation (EU) No 680/2014[11]). The ECB is aware that the gross reporting of flows denominated in different currencies in the case of separate reporting as referred to in Article 415(2) of the CRR, including the gross reporting of accounts denominated in multiple currencies in the context of cash pooling arrangements, is conservative and may not necessarily properly reflect the economic nature of cash flows in all cases. The ECB will take this specificity into account when considering setting limits on the proportion of net liquidity outflows in a currency that can be met during a stress period by holding liquid assets not denominated in that currency (pursuant to Article 8(6) of Delegated Regulation (EU) 2015/61).	
Paragraph 15: Restriction of currency mismatches (Article 428b(5) of the CRR) **Page 55**	German Banking Industry Committee	The respondent welcomed that there is no 100% NSFR limit in foreign currency and argued that no NSFR limit in currency terms should be imposed.	The ECB does not intend to introduce a general 100% NSFR requirement with respect to currencies subject to separate reporting in accordance with Article 415(2) of the CRR (in such a way that this requirement would automatically apply to all institutions). By contrast, and in line with the current wording in the revised Guide, with respect to currencies subject to separate reporting in accordance with Article 415(2) of the CRR, the ECB will apply a case-by-case approach by taking into account the factors referred to under points (a) and (b) of Article 428b(5) of the CRR before considering any (institution-specific) limit on the proportion of required stable funding in a particular currency that can be met by ASF that is not denominated in that currency.	No amendment
Paragraph 16: Interdependent assets and liabilities (Article 428f(1) of the CRR) **Page 55**	Association for Financial Markets in Europe	The respondent asked for clarification on how the ECB intends to deal with assets and liabilities being treated as interdependent pursuant to Article 428f(2) of the CRR, in particular if the ECB is considering to review, ex ante or ex post, the assets and liabilities in cases where an institution reports (or intends to report) certain assets and liabilities under this provision.	The ECB is liaising with the EBA and the European Commission to determine whether prior permission from a competent authority is required before a credit institution can consider treating assets and liabilities as interdependent pursuant to Article 428f(2) of the CRR. In the event that the relevant authorities determine that a prior permission is required, the ECB may in due course update the revised Guide with guidance on the factors that Joint Supervisory Teams will take into account when considering whether to grant such	No amendment

[11] Commission Implementing Regulation(EU) No 680/2014 of 16 April 2014 laying down implementing technical standards with regard to supervisory reporting of institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 191, 28.6.2014, p. 1) (as amended by subsequent regulations).

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
			permissions.	
Paragraph 18: Application of the simplified net stable funding requirement (Article 428ai of the CRR) **Page 59**	European Association of Co-operative Banks German Banking Industry Committee	The respondents asked for clarification as to whether the ECB intends to allow small and non-complex subsidiaries of significant institutions to apply for application of the simplified NSFR. In particular, respondents questioned whether, provided that the NSFR calculated at the consolidated group level is >100%, the simplified NSFR can be applied at the level of the individual institutions, and how this should be reported.	While the simplified NSFR as referred to in Chapters 5, 6 and 7 of Title IV of Part Six of the CRR is – in terms of available and required stable funding factors – at least as conservative as (and partially even more conservative than) the regular NSFR as referred to in Chapters 1, 2 and 3 of Title IV of Part Six of the CRR, it provides for less granular requirements with respect to the calculation and reporting of the NSFR. As such, potential operational challenges may arise in the case of a banking group where the parent institution calculates and reports the regular NSFR at consolidated level while its subsidiary institution has been authorised to apply the simplified NSFR on an individual basis. This is because in such a case the parent institution would still need to classify the assets and liabilities of the subsidiary institution in accordance with the more granular rules with respect to the regular NSFR for the purpose of the calculation and reporting of the NSFR at consolidated level. For this reason, the current wording intends to put emphasis on operational considerations, i.e. ensuring that the ECB permitting a subsidiary institution to apply the simplified NSFR as referred to in Chapter 5 of Title IV of Part Six of the CRR does not hamper the calculation and reporting of the NSFR as defined under Chapter 1 of Title IV of Part Six of the CRR by the parent institution at consolidated level.	No amendment

2.1.8 Comments on Section II, Chapter 8 – Reporting on prudential requirements and financial information

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 1: Waiver from reporting requirements for duplicative data points (Article 430(11) of the CRR) **Page 61**	French Banking Association Association for Financial Markets in Europe	The respondents suggested that there is no evidence that demonstrates that duplicative reporting is very rare, as stated by the ECB in this paragraph of revised the Guide, and stressed that banks should not be limited in their use of the waiver when they deem it is appropriate. Respondents therefore asked for this paragraph to be deleted from the revised Guide.	While the ECB continues to expect that duplicative reporting will be very rare considering the maximum harmonisation principle of EU legislation, it agrees that supervisors should not be limited in their approval of the waiver when its use is justified. The ECB has therefore amended the revised Guide accordingly.	Amendment suggested

2.1.9 Comments on Section II, Chapter 10 – Timeline for the assessment of proposed acquisitions of qualifying holdings

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 2: Timeline for the assessment of proposed acquisitions of qualifying holdings **Page 62**	Spanish Banking Association	The respondent opposed the ECB's decision to extend from three months to six months the maximum period to conclude a proposed acquisition.	Based on supervisory experience, the ECB is of the view that a general period of six months to complete proposed acquisitions is appropriate.	No amendment

2.1.10 Comments on Section II, Chapter 11 – Governance arrangements and prudential supervision

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 4: Combining the functions of chairman and CEO (Article 88(1)(e) of the CRD) **Page 63**	Spanish Banking Association Association for Financial Markets in Europe	The respondents argued that the statement that the ECB considers that the "separation of the functions of Chairman and CEO should be the rule" is inconsistent with CRD IV, the Basel Guidelines and the EBA Guidelines on internal governance, according to which the chair is permitted to assume executive duties as long as the institution has measures in place to mitigate any adverse impact on the institution's checks and balances. Respondents therefore asked for this sentence to be deleted.	The ECB did not suggest any material or content changes to the respective section of the Guide under this revision exercise. The section is the same as it was in the latest publicly available version, which was published in 2016. The section refers to the combination of Chair and CEO as foreseen by Article 88(1)(e) of CRD IV. In full alignment with the wording of this Article, the ECB considers that there should be a clear separation of the executive and non-executive functions in credit institutions and that the separation of the functions of Chairman and CEO should be the rule. This also reflects the general expectation of the ECB on this matter, which is also held by international and European standard-setters. Sound principles of corporate governance require that both functions be exercised in line with their responsibilities and accountability requirements. The responsibilities and accountability requirements of the chairman of the management body in its supervisory function (Chair) and of the chief executive officer (CEO) diverge, reflecting the different purposes of each supervisory function and management function respectively. Therefore, the given separation of functions fosters adequate checks and balances within management bodies. The above is also aligned with the best practices and sound corporate governance principles and guidelines, namely those set forth in the Basel Committee on Banking Supervision's Corporate governance principles for banks and the EBA Guidelines on internal governance.	No amendment

2.1.11 Comments on Section III, Chapter 4 – Liquidity

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Paragraph 1: Multiplier for retail deposits covered by a deposit guarantee scheme (Article 24(4) and (5) of Commission Delegated Regulation (EU) 2015/61 and Article 13 of the ECB Regulation) **Page 70**	Association for Financial Markets in Europe	The respondent requested further clarification on the stress scenarios needed as evidence of the stability of deposits and whether banks can develop their own scenarios.	As specified in the revised Guide, while the ECB remains generally supportive of exercising the discretion under Articles 24(4) and (5) of Delegated Regulation (EU) 2015/61, finalisation of the ECB's policies is pending. With respect to the specificities of the stress period referred to in paragraph 5 the ECB is of the view that this is a question related to the consistent implementation of Delegated Regulation (EU) 2015/61. In that regard, further clarification is needed (e.g. from the EU legislator and/or the EBA) to ensure that the discretion can be exercised in line with the intention and expectations of the legislator. The ECB will carefully monitor any further guidance issued by the relevant EU authorities on this matter before finalising (and exercising) its policy related to this discretion.	No amendment

2.2 Comment on the amending Regulation

Reference	Respondents	Comment	ECB response and analysis	Amendment
Recital 8: Multiplier for retail deposits covered by a deposit guarantee scheme (Article 24(4) and (5) of Commission Delegated Regulation (EU) 2015/61 and Article 13 of Regulation (EU) 2016/445)	Spanish Banking Association	The respondent requested further clarification on the stress scenarios needed as evidence of the stability of deposits and, in particular, whether banks can develop their own scenarios.	See Section 2.1.11 – Comments on Section III, Chapter 4 of the revised Guide and Section 2.3 – Comments on the amending Guideline.	No amendment
Article 1(6) concerning Article 12a of Regulation (EU) 2016/445 on Required stable funding factors for off-balance-sheet exposures	French Banking Association Italian Banking Association Association for Financial Markets in Europe Austrian Federal Economic Chamber European Association of Co-operative Banks	With respect to required stable funding factors to be applied to off-balance-sheet exposures not referred to in Chapter 4 of Title 4 of Part Six of the CRR, several respondents suggested that referring to the outflow rates applied to those exposures in the LCR would be inappropriate. Noting that the proposed Article 12a specified that the ECB could also determine different required stable funding (RSF) factors, one respondent also asked how the ECB would determine different RSF factors. This respondent further requested clarification on the evolution and the timeline of any potential upcoming reviews of Article 23 of Delegated Regulation (EU) 2015/61. Two respondents proposed to unify the notification form for the LCR and the NSFR (with equal treatment of the weighting rates for committed facilities), as the O&D regarding the required stable funding factors for off-balance-sheet exposures of the NSFR (Article 428p(10) of the CRR) have been updated. Respondents pointed out that currently the LCR form is more granular in this respect.	Article 428p(10) of the CRR captures off-balance-sheet exposures that are not referred to anywhere else under Chapter 4 of Title IV of Part Six of the CRR. Therefore, this provision covers a variety of quite heterogeneous products and services with very specific features, which could potentially also entail different funding risks (and thus potentially warrant different required stable funding factors). In the absence of more detailed information on the specific features of the various products and services reported under this provision (as well as their underlying funding risk), the ECB does not consider it appropriate at present to determine specific RSF factors. Instead, the proposed approach links the RSF factors for off-balance-sheet exposures in the scope of Article 428p(10) of the CRR to the outflow rates applied to the same products and services in the LCR pursuant to Article 23 of Delegated Regulation (EU) 2015/61 while leaving some flexibility for the ECB to determine different RSF factors, where prudentially justified. On substance, the proposed approach strikes a conceptual balance between (i) the lower level of stress assumed in the NSFR compared with the LCR (i.e. a lower likelihood that such off-balance-sheet exposures may require funding), and (ii) the longer time horizon referred to in the NSFR compared with the LCR (i.e. a longer time horizon over which funding needs associated with such off-balance-sheet exposures could arise). The ECB is	No amendment

Reference	Respondents	Comment	ECB response and analysis	Amendment
			aware that the proposed approach is simple and may not properly reflect actual funding risk over a one-year horizon in every case. This is why the possibility for determining different RSF factors, where justified, is explicitly provided for in the current wording and may be considered by the ECB in the future, based on ECB internal analyses as well as evidence that may be brought forward by institutions, e.g. in the context of day-to-day supervision. On process, the proposed approach does not formally require any additional data collection within institutions. Also, since the ECB regularly reviews outflow rates applied in relation to products and services within the scope of Article 23 of Delegated Regulation (EU) 2015/61 for which the likelihood and volume of liquidity outflows is material, it is ensured that RSF factors are linked to factors that have been subject to supervisory scrutiny. With respect to the products and services in the scope of Article 23 of Delegated Regulation (EU) 2015/61, the ECB currently conducts an ex post review under which institutions are, in the first instance, required to estimate outflow rates based on their own methodology (unless otherwise determined by the ECB in the past). With respect to products and services for which the likelihood and volume of outflows is material, the ECB will review (annually) the accuracy of the methodologies applied by institutions and may require higher outflow rates to be applied where an institution's methodology has been assessed as being insufficient. Should the ECB decide to adjust its approach with respect to Article 23 of Delegated Regulation (EU) 2015/61, it may also consider reviewing its approach with respect to the discretion under Article 428p(10) of the CRR, also in order to check whether the approach of anchoring RSF factors to the outflow rates applied in the LCR can still be considered appropriate.	
Article 1(2) concerning Article 9(3) of Regulation (EU) 2016/445 on exemptions of intragroup exposures from the large	Association for Financial Markets in Europe	The respondent requested clarification of the time frame in which the ECB intends to reconfirm that credit institutions with third-country intragroup exposures that are already fully exempted from the	Under Article 9(3) of Regulation (EU) 2016/445, intragroup exposures are exempted from the large exposures limit only if banks meet the relevant criteria. As specified in Article 9(6), the ECB may check banks' compliance with the	No amendment

Reference	Respondents	Comment	ECB response and analysis	Amendment
exposures limit **Page 27 of the explanatory memorandum**		large exposure limit in accordance with Article 9(3) of Regulation (EU) 2016/445 comply with the relevant criteria. The respondent further pointed out that it is not clear whether less significant institutions (LSIs) with third-country intragroup exposures that are already exempted from the large exposures limit would be expected to submit applications under the new implementation of Article 400(2)(c) of the CRR.	criteria at any time. From the date of application of the amending Regulation, credit institutions will need to apply to the ECB for prior permission to exempt intragroup exposures to entities in third countries from the large exposures limit. However, where credit institutions already have intragroup exposures to entities in third countries, and those exposures are already benefiting from the exemption, the ECB does not expect the institutions to apply to continue exempting those exposures. Rather, in line with the current practice whereby the ECB may check banks' compliance at any time, the ECB will reconfirm banks' compliance with the relevant criteria – also taking into consideration the additional factors set out in the revised Guide, as appropriate – on a case-by-case basis as part of its ongoing supervision. The ECB is not setting out a specific transitional period for this reconfirmation process to be completed. To ensure a consistent approach between SIs and LSIs, the ECB expects that NCAs will follow a similar approach to the ECB when reassessing existing exemptions.	
Article 1(2) concerning Article 9(3) of Regulation (EU) 2016/445 on exemptions of intragroup exposures from the large exposures limit	Dutch Banking Association	The respondent disagreed with the proposal to require ex ante case-by-case supervisory approval of exemptions of intragroup exposures involving entities in third countries from the large exposures limit.	See the ECB's response in Section 2.1.6 – Comments on Section II, Chapter 5 (page 16).	No amendment

2.3 Comments on the amending Guideline

Reference	Respondents	Comment	ECB response and analysis	Amendment
Recital 2	German Banking Industry Committee European Association of Co-operative Banks	The respondents suggested retaining the general policy authorising the application of a 3% outflow rate (and so the option for credit institutions and deposit guarantee schemes/institutional protection schemes (IPSs) to manage the necessary evidence), as this possibility was clearly framed by the legislature and it is of great relevance for IPSs.	As specified in the revised Guide, with regard to the discretion under Articles 24(4) and (5) of Delegated Regulation (EU) 2015/61, while the ECB remains generally supportive of it, finalisation of the ECB's policies is pending. In accordance with Article 24(5) of Delegated Regulation (EU) 2015/61, the authorisation referred to in Article 24(4) may only be granted after having obtained prior approval from the European Commission, and such approval is to be requested by means of a reasoned notification, which includes evidence that the run-off rates for stable retail deposits would be below 3% during any stress period experienced consistent with the scenarios referred to in Article 5 of Delegated Regulation (EU) 2015/61. With respect to the specificities of the stress period referred to in paragraph 5, the ECB is of the view that this is a question related to the consistent implementation of the Delegated Regulation (EU) 2015/61. In that regard, further clarification is needed (e.g. from the EU legislature and/or the EBA) to ensure that the discretion can be exercised in line with the intention and expectations of the legislator. The ECB will carefully monitor any further guidance to be issued by the relevant EU authorities on this matter before finalising (and exercising) its policy related to this discretion. In view of the specificities of this discretion (which is to be exercised by a deposit guarantee scheme that may involve deposits from both SIs and LSIs), it is suggested that the ECB and NCAs apply a consistent approach with respect to this discretion, meaning that NCAs should also await further guidance on this discretion before exercising it. Once the uncertainties around the interpretation of this discretion are resolved, it appears reasonable for the ECB and the NCAs to collaborate closely when exercising this discretion with respect to the individual deposit guarantee schemes in the scope of this provision.	No amendment

Reference	Respondents	Comment	ECB response and analysis	Amendment
Article 1(2) concerning Article 6(d) of Guideline (EU) 2017/679 (ECB/2017/9) in conjunction with Annex II	European Savings and Retail Banking Group German Banking Industry Committee	The respondents pointed out that a narrow definition of the term “cash-clearing operations” in the ECB Guideline and Regulation should be rejected, and asked the ECB to clarify that the functions mentioned in Annex II(2), points (a) to (d) of Regulation (EU) 2016/445 should indeed be read as examples.	The ECB agrees with the respondents that the functions mentioned in Annex II(2) points (a) to (d) of Regulation (EU) 2016/445 should indeed be read as examples and it does not see the need for any further clarification in the relevant texts.	No amendment

Reference	Respondents	Comment	ECB response and analysis	Amendment
Annex I	Association for Financial Markets in Europe	The respondent suggested that the introduction of the reference to the third countries listed in Annex I to Commission Implementing Decision 2014/908[12] would have a potentially large impact on LSIs in all those cases where the competent authorities have assessed certain third countries as equivalent and the European Commission has not. The respondent therefore suggested introducing a transitional period for LSIs.	The statement "for the purposes of Article 6(c), third countries listed in Annex I to Commission Implementing Decision 2014/908 (*) are deemed to be equivalent" does not preclude that third countries which are not listed in Annex 1 of that Commission Implementing Decision could be deemed equivalent by the competent authority.	No amendment

2.4 Comments on the amending Recommendation

Paragraph	Respondents	Comment	ECB response and analysis	Amendment
Annex Page 7	European Association of Co-operative Banks	Consistent with its comment on Section II, Chapter 1, paragraph 9 of the revised Guide, the respondent suggested that the draft amending Recommendation went beyond the framework conditions set out in the CRR, as Article 19(2) of the CRR does not set out that a waiver can only be granted if an undertaking is negligible in respect of all risks at the same time.	The ECB agrees with the comment and has amended Section II, Chapter 1, paragraph 9 of the revised Guide accordingly. Since the amending Recommendation cross-refers to the revised Guide, no amendment is necessary. See also Section 2.1.2 – Comments on Section II, Chapter 1.	No amendment

[12] 2014/908/EU: Commission Implementing Decision of 12 December 2014 on the equivalence of the supervisory and regulatory requirements of certain third countries and territories for the purposes of the treatment of exposures according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 359, 16.12.2014, p. 155).

2.5 Comments on the explanatory memorandum

Section	Respondents	Comment	ECB response and analysis	Amendment
Treatment of required central bank reserves (Article 428r(2) of the CRR) **Page 23**	Spanish Banking Association Association for Financial Markets in Europe	The respondents asked for clarification of the discretion referred to in Article 428r(2) of the CRR, according to which the competent authority may decide, with the agreement of the relevant central bank, to apply a higher RSF factor to required reserves. In particular, respondents enquired about the ECB's intention with respect to this discretion and the range within which the RSF factors will be set for required reserves in third countries.	As explained in the explanatory memorandum, owing to the exceptional circumstances of the COVID-19 pandemic, the discretion referred to in Article 428r(2) of the CRR, according to which the competent authority may decide, with the agreement of the relevant central bank, to apply a higher RSF factor to required reserves, has not yet been exercised. However, the ECB will consider doing so once the situation normalises. In that case, the ECB will of course carefully consider the specificities of relevant reserve requirements and the extent to which complying with these requirements may effectively require associated stable funding (over a one-year horizon).	No amendment

2.6 Other changes introduced by the ECB

Section	Changes introduced by the ECB	Explanation
Section II, Chapter 6, Paragraph 17: Preferential treatment within a group or an IPS (Article 428h of the CRR) **Page 56**	A revision has been introduced to the revised Guide specifying that, for the purposes of demonstrating that the conditions laid down in Article 8(1)(d) of the CRR are met, credit institutions should demonstrate that the consequences of a waiver being granted have been considered in the resolvability self-assessment provided by the credit institution to the resolution authority.	The previous version of the O&D Guide already specified that for the purposes of demonstrating that the conditions laid down in Article 8(1)(d) of the CRR have been met, institutions should provide "an internal assessment which concludes that there are no current or foreseen material practical or legal impediments to the fulfilment of the contract referred to above and which confirms that the grant of a waiver has duly been taken into account in the recovery plan and the group financial support agreement, if available, drawn up by the institution in accordance with Directive 2014/59/EU of the European Parliament and of the Council (BRRD)". The rationale for this revision is to further clarify the evidence that credit institutions should provide to demonstrate that the waiver has been appropriately considered in the recovery plan.
Section II, Chapter 1, Paragraph 4: Liquidity waivers (Article 8 of the CRR) **Page 15**	The revised Guide has been amended so that it refers to the specific arrangement referred to in Article 10 of the CRR without setting an expectation for the underlying conditions mentioned in Article 10 to be met.	The ECB is of the view that the policy proposed in the revised Guide that was submitted for public consultation was overly conservative with respect to the situation where the counterparty is the central body or an affiliated credit institution of a network or a cooperative group as referred to in Article 10 of the CRR. Specifically, where the conditions under Article 10 of the CRR are met, relevant institutions may be entirely released from the application of the NSFR on an individual basis. Where the conditions under Article 428h of the CRR are met, institutions may be allowed to apply a preferential treatment to a transaction with another entity in the scope of Article 10 of the CRR, but are still required to apply the regular ASF/RSF factors to all other transactions (and would evidently still be required to comply with the NSFR requirement). It is therefore not appropriate to require the relevant institutions to comply with the (stricter) criteria under Article 10 of the CRR before authorising the application of the preferential treatment under Article 428h of the CRR. In addition, Article 428h of the CRR would no longer be applicable where the competent authority has already granted the waiver referred to under Article 10 of the CRR.

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For specific terminology please refer to the SSM glossary (available in English only).