

Chapter

Article 15e Structure-based approach for the calculation of indirect holdings for the purposes of points (f), (h) and (i) of Article 36(1) of Regulation (EU) No 575/2013

(1) The amount to be deducted from Common Equity Tier 1 items referred to in point (f) of Article 36(1) of Regulation (EU) No 575/2013 shall be equal to the percentage of funding, as defined in Article 15d(3) of this Regulation, multiplied by the amount of Common Equity Tier 1 instruments of the institution held by the intermediate entity.

(2) The amount to be deducted from Common Equity Tier 1 items referred to in points (h) and (i) of Article 36(1) of Regulation (EU) No 575/2013 shall be equal to the percentage of funding, as defined in Article 15d(3) of this Regulation, multiplied by the aggregate amount of Common Equity Tier 1 instruments of financial sector entities held by the intermediate entity.

(3) For the purposes of paragraphs 1 and 2, an institution shall calculate separately per intermediate entity the aggregate amount of Common Equity Tier 1 instruments of the institution that the intermediate entity holds and the aggregate amount of Common Equity Tier 1 instruments of other financial sector entities that the intermediate entity holds.

(4) The institution shall consider the amount of holdings in Common Equity Tier 1 instruments of financial sector entities calculated in accordance with paragraph 2 of this Article as a significant investment referred to in Article 43 of Regulation (EU) No 575/2013 and shall deduct the amount in accordance with point (i) of Article 36(1) of that Regulation.

(5) Where investments in Common Equity Tier 1 instruments are held indirectly through subsequent or several intermediate entities, paragraphs 5 and 6 of Article 15d shall apply.

(6) Where an institution is not able to identify the aggregate amounts that the intermediate entity holds in Common Equity Tier 1 instruments of the institution or in Common Equity Tier 1 instruments of financial sector entities, the institution shall estimate the amounts it cannot identify by using the maximum amounts that the intermediate entity is able to hold on the basis of its investment mandates.

(7) Where the institution is not able to determine, on the basis of the investment mandate, the maximum amount that the intermediate entity holds in Common Equity Tier 1 instruments of the institution or in Common Equity Tier 1 instruments of financial sector entities, the institution shall treat the amount of funding that it holds in the intermediate entity as an investment in its own Common Equity Tier 1 instruments and shall deduct them in accordance with point (f) of Article 36(1) of Regulation (EU) No 575/2013.

(8) By way of derogation from paragraph 7 of this Article, the institution shall treat the amount of funding that it holds in the intermediate entity as a non-significant investment and shall deduct them in accordance with point (h) of Article 36(1) of Regulation (EU) No 575/2013, where all of the following conditions are met:

(a) the amounts of funding are less than 0,25 % of the institution's Common Equity Tier 1 capital;

(b) the amounts of funding are less than EUR 10 million;

(c) the institution cannot reasonably determine the amounts of its own Common Equity Tier 1 instruments that the intermediate entity holds.

(9) Where funding to the intermediate entity is in the form of units or shares of a CIU, the institution may rely on the third parties referred to in Article 132(5) of Regulation (EU) No 575/2013, and under the conditions set by that Article, to calculate and report the aggregate amounts referred to in paragraph 6 of this Article.