

Chapter

Article 15i Order and maximum amount of deductions of indirect holdings of own funds instruments of financial sector entities

(1) Subject to the limits laid down in paragraphs 2 or 3, as applicable, where the intermediate entity holds Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments of financial sector entities, the Common Equity Tier 1 instruments shall be deducted first, the Additional Tier 1 instruments shall be deducted second, and the Tier 2 instruments last.

(2) Where the intermediate entity holds own funds instruments of institutions, when applying paragraph 1 to each type of holding institutions shall deduct the holdings of their own own funds instruments first.

(3) Where an institution holds capital instruments of financial sector entities indirectly, the amount to be deducted from the institution's own funds shall not be higher than the lower of the following amounts:

(a) the total funding provided by the institution to the intermediate entity;

(b) the amount of own funds instruments held by the intermediate entity in the financial sector entity.