

Chapter

Article 19 Exposures in the trading book and non-trading book

(1) The holding of a securitisation position in the trading or non-trading book respectively shall not represent a sufficient justification in itself for the application of different policies and procedures or a different intensity of review to fulfil the due diligence obligations referred to in Article 406 of Regulation (EU) No 575/2013. In determining whether different policies and procedures or a different intensity of review shall be applied, all relevant factors materially impacting the risk profile of each of the books and of the relevant securitisation positions shall be considered, including the size of the positions, the impact on the institution's capital base during a period of stress, and the concentration of risk in one specific transaction, issuer, or asset class.

(2) Institutions shall ensure that any material change increasing the risk profile of the securitisation positions in their trading book and non-trading book is reflected by an appropriate change in their due diligence procedures as regards those securitisation positions. In this regard, institutions shall identify in their formal trading book and non-trading book policies and procedures the circumstances which would trigger a review of the due diligence obligations.