

Chapter 15

Commission Implementing Regulation (EU) No 602/2014

Preamble

THE EUROPEAN COMMISSION,
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Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2013, and in particular Article 410(3) thereof,

01/01/2021

Whereas:

(1) It is appropriate to provide for implementing technical standards to facilitate the convergence of supervisory practices with regard to the implementation of a uniform approach to assess institutions' material non-compliance with the requirements by reason of negligence or omission, and to the application of the additional risk weights. In order to facilitate the convergence of supervisory practices when applying additional risk weights, an appropriate formula should be defined. That formula should impose a proportionate additional risk weight of no less than 250 % which progressively increases with subsequent infringements of Articles 405, 406 or 409 of Regulation (EU) No 575/2013. An appropriate factor should be introduced in the formula to allow for a lower additional risk weight to apply in the cases of exposures exempted pursuant to Article 405(3) of Regulation (EU) No 575/2013.

(2) This Regulation is based on the draft regulatory technical standards submitted by the European Banking Authority to the Commission.

(3) The European Banking Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION: