

Chapter 17

Commission Implementing Regulation (EU) No 945/2014

Preamble

THE EUROPEAN COMMISSION,

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 648/2012 and in particular the third subparagraph of Article 344(1) thereof,

01/01/2021

Whereas:

(1) Pursuant to Article 344(4) of Regulation (EU) No 575/2013, the specific risk of a stock-index future which would be treated as an individual equity in accordance with that Article can be ignored where the relevant stock-index is exchange traded and represents a relevant appropriately diversified index.

(2) Where an exchange traded stock-index future is appropriately diversified, it can be assumed that such stock-index represents no specific risk. This is considered to be the case where the index contains at least 20 equities, no single entity contained within them represents more than 25 % of the total index and 10 % of the largest equities (rounding up the number of equities to the superior natural number) represent less than 60 % of the total index. In addition, the index must encompass equities from at least a national market, and they must comprise equities from at least four industries amongst oil and gas, basic materials, industrials, consumer goods, health care, consumer services, telecommunications, utilities, financials and technology.

(3) Given that Article 344(4) of Regulation (EU) No 575/2013 refers to "relevant" eligible indices, only those stock indices which are relevant for financial institutions in the Union have been assessed against the criteria for identifying eligible stock indices.

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

(5) 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: