Changes to legislation: *There are outstanding changes not yet made to Commission Delegated Regulation (EU) No 530/2014. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details)EUR 2014 No. 530 may be subject to amendment by EU Exit Instruments made by both the Prudential Regulation Authority and the Financial Conduct Authority under powers set out in The Financial Regulators' Powers (Technical Standards etc.) (Amendment etc.) (EU Exit) Regulations 2018 (S.I. 2018/1115), regs. 2, 3, Sch. Pt. 4. These amendments are not currently available on legislation.gov.uk. Details of relevant amending instruments can be found on their website/s. (See end of Document for details) View outstanding changes*

Commission Delegated Regulation (EU) No 530/2014 of 12 March 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards further defining material exposures and thresholds for internal approaches to specific risk in the trading book (Text with EEA relevance)

COMMISSION DELEGATED REGULATION (EU) No 530/2014

of 12 March 2014

supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards further defining material exposures and thresholds for internal approaches to specific risk in the trading book

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC[(1)], and in particular the third subparagraph of Article 77(4) thereof,

Whereas:

(1) Article 77(3) of Directive 2013/36/EU refers solely to 'debt instruments', therefore equity instruments in the trading book should not be included in the assessment of materiality of specific risk.

(2) The materiality in absolute terms of exposures to specific risk should be measured by applying the standardised rules for the calculation of net positions of debt instruments. That assessment should consider both long and short net positions calculated in accordance with Article 327(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council[(2)], after having given an allowance for hedges provided by credit derivatives in accordance with Articles 346 and 347 of Regulation (EU) No 575/2013.

(3) The first subparagraph of Article 77(3) of Directive 2013/36/EU covering specific risk in the trading book refers to 'a large number of material positions in debt instruments of different issuers'. These rules therefore set out a materiality threshold for large numbers of material positions in debt instruments of different issuers, pursuant to Article 77(4) of that Directive.

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

(5) The European Banking Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential

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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[3],

HAS ADOPTED THIS REGULATION:

Article 1

Definition of 'exposures to specific risk which are material in absolute terms' according to Article 77(4) of Directive 2013/36/EU

An institution's exposure to specific risk of debt instruments shall be considered to be material in absolute terms where the sum of all net long and net short positions, as defined in Article 327 of Regulation (EU) No 575/2013, is greater than EUR 1 000 000 000.

Article 2

Definition of 'large number of material positions in debt instruments of different issuers' according to Article 77(4) of Directive 2013/36/EU

An institution's specific risk portfolio shall be considered to comprise a large number of material positions in debt instruments of different issuers where the portfolio includes more than 100 positions, each of which is greater than EUR 2 500 000, whether those positions are net long or net short, as defined in Article 327 of Regulation (EU) No 575/2013.

Article 3

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 March 2014.

For the Commission

The President

José Manuel BARROSO