



2025/1521

28.7.2025

**GUIDELINE (EU) 2025/1521 OF THE EUROPEAN CENTRAL BANK**

**of 15 July 2025**

**amending Guideline (EU) 2017/697 on the exercise of options and discretions available in Union law by national competent authorities in relation to less significant institutions (ECB/2017/9) (ECB/2025/25)**

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

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

Having regard to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions<sup>(1)</sup>, and in particular Article 6(1) and Article 6(5)(a) and (c) thereof,

Whereas:

- (1) Guideline (EU) 2017/697 of the European Central Bank (ECB/2017/9)<sup>(2)</sup> establishes general policies for the exercise of certain options and discretions available in Union law by national competent authorities in relation to less significant institutions. Regulation (EU) 2024/1623 of the European Parliament and of the Council<sup>(3)</sup> deleted the option provided in Article 178(1), point (b), of Council Regulation (EU) No 575/2013<sup>(4)</sup> for competent authorities to extend to 180 the number of days past due before a material credit obligation referred to therein is considered to be in default. In order to align Guideline (EU) 2017/697 (ECB/2017/9) with Regulation (EU) No 575/2013 in relation to the deleted option, it is therefore necessary to delete the corresponding provision in that Guideline.
- (2) Regulation (EU) 2024/1623 amended Article 138 of Regulation (EU) No 575/2013 by adding a requirement, applicable from 1 January 2025, that, for the purposes of using the standardised approach for calculating risk-weighted exposure amounts, in relation to exposures to institutions an institution must not use an external credit assessment institution (ECAI) credit assessment that incorporates assumptions of implicit government support, except where it refers to an institution owned by or set up and sponsored by central governments, regional governments or local authorities. The amended Article 138 provides further that where the only ECAI credit assessments that exist for an institution not falling within the excepted category of institutions are ECAI credit assessments that incorporate such assumptions of implicit government support, exposures to such an institution must be treated as exposures to an unrated institution, in accordance with Article 121 of Regulation (EU) No 575/2013.
- (3) The ECB sees the need to permit the continued use of ECAI credit assessments that incorporate assumptions of implicit government support where the institution referred to does not fall within the excepted category of institutions, with the effect that exposures to such an institution need not be treated as exposures to an unrated institution. Use of such ECAI credit assessments should continue for a limited period following the date of application of the amendment to Article 138 of Regulation (EU) No 575/2013. Therefore, the ECB considers it necessary for national competent authorities to exercise, until 1 January 2027, the transitional option provided in Article 495e of Regulation (EU) No 575/2013 to allow continued use of such credit assessments for a limited period.
- (4) Therefore, Guideline (EU) 2017/679 (ECB/2017/9) should be amended accordingly,

<sup>(1)</sup> OJ L 287, 29.10.2013, p. 63, ELI: <http://data.europa.eu/eli/reg/2013/1024/oj>.

<sup>(2)</sup> Guideline (EU) 2017/697 of the European Central Bank of 4 April 2017 on the exercise of the options and discretions available in Union law by national competent authorities in relation to less significant institutions (ECB/2017/9) (OJ L 101, 13.4.2017, p. 156, ELI: <http://data.europa.eu/eli/guideline/2017/697/oj>).

<sup>(3)</sup> Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (OJ L, 2024/1623, 19.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1623/oj>).

<sup>(4)</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p.1, ELI: <http://data.europa.eu/eli/reg/2013/575/oj>).

HAS ADOPTED THIS GUIDELINE:

*Article 1*

**Amendments**

Guideline (EU) 2017/697 (ECB/2017/9) is amended as follows:

- (1) Article 4 is deleted;
- (2) the following Article 9a is inserted:

*'Article 9a*

**Article 495e of Regulation (EU) No 575/2013: transitional arrangements for ECAI credit assessments of institutions**

By way of derogation from Article 138, point (g), of Regulation (EU) No 575/2013, NCAs shall allow institutions to continue using an ECAI credit assessment in relation to an institution which incorporates assumptions of implicit government support until 1 January 2027.'.

*Article 2*

**Taking effect and implementation**

1. This Guideline shall take effect on the day of its notification to the national competent authorities of the participating Member States.
2. The national competent authorities of the participating Member States shall comply with this Guideline from 1 January 2026.

*Article 3*

**Addressees**

This Guideline is addressed to the national competent authorities of the participating Member States.

Done at Frankfurt am Main, 15 July 2025.

*For the Governing Council of the ECB*  
*The President of the ECB*  
Christine LAGARDE

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