



**REGULATION (EU) 2025/1520 OF THE EUROPEAN CENTRAL BANK
of 15 July 2025**

**amending Regulation (EU) 2016/445 on the exercise of options and discretions available in Union
law (ECB/2016/4) (ECB/2025/24)**

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⁽¹⁾, and in particular Article 4(3), Article 6, and Article 9(1) and (2) thereof,

Whereas:

- (1) Regulation (EU) 2024/1623 of the European Parliament and of the Council⁽²⁾ deleted the option provided in Article 178(1), point (b), of Council Regulation (EU) No 575/2013⁽³⁾ 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 Regulation (EU) 2016/445 of the European Central Bank (ECB/2016/4)⁽⁴⁾ with Regulation (EU) No 575/2013 in relation to the deleted option, it is therefore necessary to delete the corresponding provision in Regulation (EU) 2016/445 (ECB/2016/4).
- (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, it is necessary to amend Regulation (EU) 2016/445 (ECB/2016/4) to enable the exercise, until 1 January 2027, of the option provided in Article 495e of Regulation (EU) No 575/2013 to allow continued use of such ECAI credit assessments until that date.
- (4) Therefore, Regulation (EU) 2016/445 (ECB/2016/4) should be amended accordingly,

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

⁽²⁾ 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>).

⁽³⁾ 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>).

⁽⁴⁾ Regulation (EU) 2016/445 of the European Central Bank of 14 March 2016 on the exercise of options and discretions available in Union law (ECB/2016/4) (OJ L 78, 24.3.2016, p. 60, ELI: <http://data.europa.eu/eli/reg/2016/445/oj>).

HAS ADOPTED THIS REGULATION:

Article 1

Amendments

Regulation (EU) 2016/445 (ECB/2016/4) is amended as follows:

- (1) Article 4 is deleted;
- (2) the following Article 24a is inserted:

'Article 24a

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, institutions may continue using an ECAI credit assessment in relation to an institution which incorporates assumptions of implicit government support until 1 January 2027.'

Article 2

Final provisions

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

This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.

Done at Frankfurt am Main, 15 July 2025.

For the Governing Council of the ECB

The President of the ECB

Christine LAGARDE
