

**on the exercise of the discretion under Article 178(2)(d) of Regulation (EU) No 575/2013 in relation to the threshold for assessing the materiality of credit obligations past due (ECB/2018/26)**

(OJ L 299, 26.11.2018, p. 55)

Corrected by:

► **C1** Corrigendum, OJ L 217, 8.7.2020, p. 8 (2018/1845)



## **REGULATION (EU) 2018/1845 OF THE EUROPEAN CENTRAL BANK**

**of 21 November 2018**

**on the exercise of the discretion under Article 178(2)(d) of Regulation (EU) No 575/2013 in relation to the threshold for assessing the materiality of credit obligations past due (ECB/2018/26)**

### *Article 1*

#### **Subject matter and scope**

The ECB hereby exercises the discretion conferred on competent authorities under Article 178(2)(d) of Regulation (EU) No 575/2013 in relation to the threshold for assessing the materiality of credit obligations past due. This Regulation shall apply exclusively with regard to credit institutions classified as significant in accordance with Article 6(4) of Regulation (EU) No 1024/2013 and Part IV and Article 147(1) of Regulation (EU) No 468/2014 (ECB/2014/17) and irrespective of the method used for the calculation of their risk-weighted exposure amounts.

### *Article 2*

#### **Definitions**

For the purpose of this Regulation, the definitions contained in Article 4 of Regulation (EU) No 575/2013, Article 2 of Regulation (EU) No 1024/2013 and Article 2 of Regulation (EU) No 468/2014 (ECB/2014/17) shall apply.

### *Article 3*

#### **Article 178(2)(d) of Regulation (EU) No 575/2013: threshold for the assessment of the materiality of a credit obligation past due**

1. For the purpose of Article 178(2)(d) of Regulation (EU) No 575/2013, credit institutions shall assess the materiality of a credit obligation past due against the following threshold, which comprises two components:

- (a) a limit in terms of the sum of all amounts past due owed by the obligor to the credit institution, the parent undertaking of that credit institution or any of its subsidiaries (hereinafter the ‘credit obligation past due’), equal:
  - (i) for retail exposures, to EUR 100;
  - (ii) for exposures other than retail exposures, to EUR 500; and
- (b) a limit in terms of the amount of the credit obligation past due in relation to the total amount of all on-balance sheet exposures to that obligor for the credit institution, the parent undertaking or any of its subsidiaries, excluding equity exposures, equal to 1 %.

**▼B**

2. For credit institutions applying the definition of default laid down in points (a) and (b) of the first subparagraph of Article 178(1) of Regulation (EU) No 575/2013 for retail exposures at the level of an individual credit facility, the threshold laid down in paragraph 1 shall apply at the level of the individual credit facility granted to the obligor by the credit institution, the parent undertaking or any of its subsidiaries.

**▼C1**

3. A default shall be deemed to have occurred when both of the limits set out in points (a) and (b) of paragraph 1 are exceeded for more than 90 consecutive days.

**▼B***Article 4***Date of application of the materiality threshold**

Credit institutions shall apply the threshold for the assessment of the materiality of a credit obligation past due set by this Regulation not later than 31 December 2020. They shall notify the ECB, before 1 June 2019, of the exact date on which they will commence applying such threshold.

*Article 5***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 the Member States in accordance with the Treaties.