

II

(Non-legislative acts)

REGULATIONS

COMMISSION DELEGATED REGULATION (EU) 2016/1608

of 17 May 2016

amending Delegated Regulation (EU) No 1222/2014 with regard to regulatory technical standards for the specification of the methodology for the identification of global systemically important institutions and for the definition of subcategories of global systemically important institutions

(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 Article 131(18) thereof,

Whereas:

- (1) Commission Delegated Regulation (EU) No 1222/2014⁽²⁾ specifies the methodology for the identification of global systemically important institutions (G-SIIs) outlined in Directive 2013/36/EU. Delegated Regulation (EU) No 1222/2014 provides in particular the quantifiable indicators forming the five categories measuring systemic significance of a bank set out in Directive 2013/36/EU. The Annex to Delegated Regulation (EU) No 1222/2014 contains detailed technical specifications of the indicator values.
- (2) Delegated Regulation (EU) No 1222/2014 takes into account the international standards developed by the Basel Committee on Banking Supervision (BCBS) on the methodology to assess global systemically important banks and on the higher loss absorbency requirement, including the technical specifications of the indicators used for the identification of global systemically important banks.
- (3) The BCBS methodology to assess global systemically important banks and on the higher loss absorbency requirement is regularly updated. Most recently, the BCBS published a slightly revised reporting template and reporting instructions for the data collection exercise for 2016, based on end-2015 data. Further updates are expected in the future.
- (4) In order to reflect current developments in the global banking system and minimise the administrative burden for institutions, it is important to ensure that the values of the indicators are determined in line with the internationally-agreed standards established by the BCBS. Relevant national authorities should therefore ensure that the values of the quantifiable indicators provided in Delegated Regulation (EU) No 1222/2014 are determined in line with the applicable set of data provided by the BCBS.

⁽¹⁾ OJ L 176, 27.6.2013, p. 338.

⁽²⁾ Commission Delegated Regulation (EU) No 1222/2014 of 8 October 2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards for the specification of the methodology for the identification of global systemically important institutions and for the definition of subcategories of global systemically important institutions (OJ L 330, 15.11.2014, p. 27).

- (5) In order to ensure consistency with the updated methodology used by the BCBS, Article 5(6) of Delegated Regulation (EU) No 1222/2014 should provide that decisions referred to in Articles 5(4) and 5(5) may be supported by 'ancillary data' instead of 'ancillary indicators'.
- (6) In order to ensure that the values of the indicators provided in Delegated Regulation (EU) No 1222/2014 are determined in line with the up-to-date specifications applied by the BCBS, the Annex to Delegated Regulation (EU) No 1222/2014 should be deleted.
- (7) Delegated Regulation (EU) No 1222/2014 should therefore be amended accordingly.
- (8) Given that the data collection for the identification process in 2016 has started in the first quarter of 2016 and institutions need clarity as to which data must be disclosed, this Regulation should enter into force immediately.
- (9) This Regulation is based on the draft regulatory technical standards submitted by the European Banking Authority (EBA) to the Commission.
- (10) The EBA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, has 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 ⁽¹⁾,

HAS ADOPTED THIS REGULATION:

Article 1

Delegated Regulation (EU) No 1222/2014 is amended as follows:

- (1) in Article 5, paragraph 6 is replaced by the following:

'6. The decisions referred to in paragraphs 4 and 5 may be supported by ancillary data, which shall not be indicators of the probability that the relevant entity fails. Such decisions shall comprise well documented and verifiable quantitative and qualitative information.'

- (2) Article 6 is replaced by the following:

'Article 6

Indicators

1. The category measuring the size of the group shall consist of one indicator equal to the total exposure of the group.

2. The category measuring the interconnectedness of the group with the financial system shall consist of all of the following indicators:

- (a) intra-financial system assets;
- (b) intra-financial system liabilities;
- (c) securities outstanding.

3. The category measuring the substitutability of the services or of the financial infrastructure provided by the group shall consist of all of the following indicators:

- (a) assets under custody;

⁽¹⁾ Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

- (b) payments activity;
 - (c) underwritten transactions in debt and equity markets.
4. The category measuring the complexity of the group shall consist of all of the following indicators:
- (a) notional amount of over-the-counter derivatives;
 - (b) assets included in the level 3 of fair-value measured in accordance with Delegated Regulation (EU) No 1255/2012 (*);
 - (c) trading and available-for-sale securities.
5. The category measuring the cross border activity of the group shall consist of the following indicators:
- (a) cross-jurisdictional claims;
 - (b) cross-jurisdictional liabilities.
6. For data reported in currencies other than the Euro, the relevant authority shall use an appropriate exchange rate taking into account the reference exchange rate published by the European Central Bank applicable on 31 December and international standards. For the payment activity indicator as referred to in paragraph 3(b), the relevant authority shall use the average exchanges rates for the relevant year.

(*) Commission Regulation (EU) No 1255/2012 of 11 December 2012 amending Regulation (EC) No 1126/2008 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard 12, International Financial Reporting Standards 1 and 13, and Interpretation 20 of the International Financial Reporting Interpretations Committee (OJ L 360, 29.12.2012, p. 78).;

- (3) the last sentence of Article 7 is deleted;
- (4) the Annex is deleted.

Article 2

Entry into force

This Regulation shall enter into force on the 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, 17 May 2016.

For the Commission
The President
Jean-Claude JUNCKER