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Contents

[1] Text with EEA relevance.

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.

Corrigenda

([1]) Text with EEA relevance.

II

(Non-legislative acts)

REGULATIONS

COMMISSION IMPLEMENTING REGULATION (EU) 2021/1947

of 10 November 2021

on the definition of the geographic territory of Member States for the purposes of Regulation (EU) 2019/516 of the European Parliament and of the Council on the harmonisation of gross national income at market prices (GNI Regulation) and repealing Commission Decision 91/450/EEC, Euratom and Commission Regulation (EC) No 109/2005

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2019/516 of the European Parliament and of the Council of 19 March 2019 on the harmonisation of gross national income at market prices and repealing Council Directive 89/130/EEC, Euratom and Council Regulation (EC, Euratom) No 1287/2003 (GNI Regulation) ([1]), and in particular Article 5(3) thereof,

Whereas:

(1) The definition of geographic territory is one of the issues defined in Commission Delegated Regulation (EU) 2020/2147 ([2]) on the list of issues to ensure the reliability, exhaustiveness and comparability of the gross national income at market prices ('GNI') data to be addressed in every verification cycle.

(2) For data on GNI to be reliable, exhaustive and comparable, the definition of the geographic territory of Member States needs to be clarified.

(3) GNI aggregates and their components should be comparable across Member States and should comply with the relevant definitions and accounting rules of the European system of accounts 2010 ('ESA 2010') ([3]).

([1]) OJ L 91, 29.3.2019, p. 19.

([2]) Commission Delegated Regulation (EU) 2020/2147 of 8 October 2020 supplementing Regulation (EU) 2019/516 of the European Parliament and of the Council by defining the list of issues to be addressed in every verification cycle (OJ L 428, 18.12.2020, p. 9).

([3]) Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

(4) Commission Decision 91/450/EEC, Euratom ([4]) and Commission Regulation (EC) No 109/2005 ([5]) should therefore be repealed.

(5) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee referred to in Article 8 of Regulation (EU) 2019/516,

HAS ADOPTED THIS REGULATION:

Article 1

For the purposes of Regulation (EU) 2019/516, the term 'economic territory' shall have the meaning set out in Annex A, Chapter 2, paragraphs 2.05 and 2.06 to Regulation (EU) No 549/2013, and the term 'geographic territory' used in those paragraphs shall be understood to comprise the Member States' territories listed in Annex to this Regulation.

Article 2

Decision 91/450/EEC, Euratom and Regulation (EC) No 109/2005 are repealed.

Article 3

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, 10 November 2021.

For the Commission
The President
Ursula VON DER LEYEN

([4]) Commission Decision 91/450/EEC, Euratom of 26 July 1991 defining the territory of Member States for the purpose of the implementation of Article 1 of Council Directive 89/130/EEC, Euratom on the harmonization of the compilation of gross national product at market prices (OJ L 240, 29.8.1991, p. 36).

([5]) Commission Regulation (EC) No 109/2005 of 24 January 2005 on the definition of the economic territory of Member States for the purposes of Council Regulation (EC, Euratom) No 1287/2003 on the harmonisation of gross national income at market prices (OJ L 21, 25.1.2005, p. 3).

ANNEX

Member States' territory:

— the territory of the Kingdom of Belgium,

— the territory of the Republic of Bulgaria,

— the territory of the Czech Republic,

— the territory of the Kingdom of Denmark, except for the Faroe Islands and Greenland,

— the territory of the Federal Republic of Germany,

— the territory of the Republic of Estonia,

— the territory of Ireland,

— the territory of the Hellenic Republic,

— the territory of the Kingdom of Spain,

— the territory of the French Republic, with the exception of the overseas countries and territories over which it exercises sovereignty, as defined in Annex II to the Treaty on the Functioning of the European Union,

— the territory of the Republic of Croatia,

— the territory of the Italian Republic,

— the territory of the Republic of Cyprus,

— the territory of the Republic of Latvia,

— the territory of the Republic of Lithuania,

— the territory of the Grand Duchy of Luxembourg,

— the territory of Hungary,

— the territory of the Republic of Malta,

— the territory of the Kingdom of the Netherlands, with the exception of the overseas countries and territories over which it exercises sovereignty, as defined in Annex II to the Treaty on the Functioning of the European Union,

— the territory of the Republic of Austria,

— the territory of the Republic of Poland,

— the territory of the Portuguese Republic,

— the territory of Romania,

— the territory of the Republic of Slovenia,

— the territory of the Slovak Republic,

— the territory of the Republic of Finland,

— the territory of the Kingdom of Sweden.

COMMISSION IMPLEMENTING REGULATION (EU) 2021/1948

of 10 November 2021

on the treatment of repayments of VAT to non-taxable persons and to taxable persons for their exempt activities for the purposes of Regulation (EU) 2019/516 of the European Parliament and of the Council on the harmonisation of gross national income at market prices (GNI Regulation) and repealing Commission Decision 1999/622/EC, Euratom and Commission Regulation (EC, Euratom) No 116/2005

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2019/516 of the European Parliament and of the Council of 19 March 2019 on the harmonisation of gross national income at market prices and repealing Council Directive 89/130/EEC, Euratom and Council Regulation (EC, Euratom) No 1287/2003 (GNI Regulation) ([1]), and in particular Article 5(3) thereof,

Whereas:

(1) The treatment of repayments of VAT is one of the issues defined in Commission Delegated Regulation (EU) 2020/2147 ([2]) on the list of issues to ensure the reliability, exhaustiveness and comparability of the gross national income at market prices ('GNI') data to be addressed in every verification cycle.

(2) For data on GNI to be reliable, exhaustive and comparable, the definition of the treatment of repayments of VAT to non-taxable persons and to taxable persons for their exempt activities needs to be clarified.

(3) GNI aggregates and their components should be comparable across Member States and should comply with the relevant definitions and accounting rules of the European system of accounts 2010 ('ESA 2010') ([3]).

(4) Commission Decision 1999/622/EC, Euratom ([4]) and Commission Regulation (EC, Euratom) No 116/2005 ([5]) should therefore be repealed.

(5) Council Directive 2006/112/EC ([6]) uses the notions of taxable person, of non-taxable person and of exempt activities, which should also be used for the purposes of this act.

(6) The ESA 2010 does not explicitly specify the treatment of repayments of VAT to non-taxable persons and to taxable persons for their exempt activities.

(7) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee referred to in Article 8 of Regulation (EU) 2019/516,

([1]) OJ L 91, 29.3.2019, p. 19.

([2]) Commission Delegated Regulation (EU) 2020/2147 of 8 October 2020 supplementing Regulation (EU) 2019/516 of the European Parliament and of the Council by defining the list of issues to be addressed in every verification cycle (OJ L 428, 18.12.2020, p. 9).

([3]) Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

([4]) Commission Decision 1999/622/EC, Euratom of 8 September 1999 on the treatment of repayments of VAT to non-taxable units and to taxable units for their exempt activities, for the purpose of implementing Council Directive 89/130/EEC, Euratom on the harmonisation of the compilation of gross national product at market prices (OJ L 245, 17.9.1999, p. 51).

([5]) Commission Regulation (EC, Euratom) No 116/2005 of 26 January 2005 on the treatment of repayments of VAT to non-taxable persons and to taxable persons for their exempt activities, for the purposes of Council Regulation (EC, Euratom) No 1287/2003 on the harmonisation of gross national income at market prices (OJ L 24, 27.1.2005, p. 6).

([6]) Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax (OJ L 347, 11.12.2006, p. 1).

HAS ADOPTED THIS REGULATION:

Article 1

1. In compiling national accounts aggregates for the purposes of Regulation (EU) 2019/516, repayments of VAT incurred on purchases, made to non-taxable persons or to taxable persons for their exempt activities, shall be treated in ESA 2010 as other current transfers (D.7) or capital transfers (D.9), and not as if they were deductible VAT.

2. For the purposes of paragraph 1, the term 'taxable person' shall have the meaning given to it by Articles 9 to 13 of Directive 2006/112/EC, and the 'exempt activities' shall be understood as the activities listed in Articles 132 to 137 of that Directive.

Article 2

Decision 1999/622/EC, Euratom and Regulation (EC, Euratom) No 116/2005 are repealed.

Article 3

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, 10 November 2021.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION IMPLEMENTING REGULATION (EU) 2021/1949

of 10 November 2021

on the principles for estimating dwelling services for the purposes of Regulation (EU) 2019/516 of the European Parliament and of the Council on the harmonisation of gross national income at market prices (GNI Regulation) and repealing Commission Decision 95/309/EC, Euratom and Commission Regulation (EC) No 1722/2005

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2019/516 of the European Parliament and of the Council of 19 March 2019 on the harmonisation of gross national income at market prices and repealing Council Directive 89/130/EEC, Euratom and Council Regulation (EC, Euratom) No 1287/2003 (GNI Regulation) ([1]), and in particular Article 5(3) thereof,

Whereas:

(1) The principles for estimating dwelling services are one of the issues defined in Commission Delegated Regulation (EU) 2020/2147 ([2]) on the list of issues to ensure the reliability, exhaustiveness and comparability of the gross national income at market prices ('GNI') data to be addressed in every verification cycle.

(2) For data on GNI to be reliable, exhaustive and comparable, the principles for estimating dwelling services need to be clarified.

(3) GNI aggregates and their components should be comparable across Member States and should comply with the relevant definitions and accounting rules of the European system of accounts 2010 ('ESA 2010') ([3]).

(4) Commission Decision 95/309/EC, Euratom ([4]) and Commission Regulation (EC) No 1722/2005 ([5]) should therefore be repealed.

(5) The measures provided for in this Regulation are in accordance with the opinion of the European Statistical System Committee referred to in Article 8 of Regulation (EU) 2019/516,

HAS ADOPTED THIS REGULATION:

Article 1

For the purposes of Regulation (EU) 2019/516 the principles for estimating dwelling services, as set out in this Regulation, shall apply.

([1]) OJ L 91, 29.3.2019, p. 19.

([2]) Commission Delegated Regulation (EU) 2020/2147 of 8 October 2020 supplementing Regulation (EU) 2019/516 of the European Parliament and of the Council by defining the list of issues to be addressed in every verification cycle (OJ L 428, 18.12.2020, p. 9).

([3]) Regulation (EU) No 549/2013 of the European Parliament and of the Council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

([4]) Commission Decision 95/309/EC, Euratom of 18 July 1995 specifying the principles for estimating dwelling services for the purpose of implementing Article 1 of Council Directive 89/130/EEC, Euratom on the harmonization of the compilation of gross national product at market prices (OJ L 186, 5.8.1995, p. 59).

([5]) Commission Regulation (EC) No 1722/2005 of 20 October 2005 on the principles for estimating dwelling services for the purpose of Council Regulation (EC, Euratom) No 1287/2003 on the harmonisation of gross national income at market prices (OJ L 276, 21.10.2005, p. 5).

Article 2

1. Member States shall apply the stratification method based on actual rentals in order to compile the output of dwelling services.

Member States shall use tabular analyses or statistical techniques to derive pertinent stratification criteria.

2. To compile imputed rentals, Member States shall make use of actual rentals due for the right to use an unfurnished dwelling under contracts relating to privately-owned dwellings.

They may also make use of rentals for furnished dwellings if scaled down so as to exclude payments for the use of the furniture.

Member States with a small private rental sector may exceptionally make use of duly increased public rentals in order to enlarge the basis for imputed rentals.

Article 3

In exceptional cases, and when duly justified, Member States may apply other objective methods, such as the user-cost method.

No justification shall be required for use of the user-cost method in compiling the output of owner-occupied dwellings, provided that the following conditions are met:

(a) privately rented dwellings must represent less than 10 % of the dwelling stock; and

(b) if (a) is fulfilled and the share of the total rented dwellings – market and non-market – in the total dwelling stock exceeds 10 %, the disparity between market and other paid rentals must exceed a factor of three.

Article 4

Member States using a base year approach shall extrapolate a given base year figure using appropriate quantity, price and quality indicators.

Article 5

For dwelling services, Member States shall apply the detailed principles in Annex to estimate output, intermediate consumption and transactions with the rest of the world.

Article 6

Decision 95/309/EC, Euratom and Regulation (EC) No 1722/2005 are repealed.

Article 7

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, 10 November 2021.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX

Principles to be applied by Member States for the estimation of output, intermediate consumption and transactions with the rest of the world, regarding dwelling services

1. OUTPUT OF DWELLING SERVICES

1.1. Basic methods

In national accounts, by convention, the output of dwelling services comprises not only the services produced by rented dwellings but also those provided by owner-occupied dwellings. With regard to the valuation of output of dwelling services, the European System of Accounts established with Regulation (EU) No 549/2013 (ESA 2010) stipulates in paragraph 3.75 of Annex A, that 'the output of services of owner-occupied dwellings is valued at the estimated value of rental ([1]) that a tenant would pay for the same accommodation, taking into account factors such as location, neighbourhood amenities, etc. as well as the size and quality of the dwelling itself. In principle, several methods are available for estimating the value of services produced by owner-occupied dwellings:

— the stratification method based on actual rentals, which combines information on the housing stock, broken down by various strata, with information on actual rentals paid in each stratum,

— the user-cost method, where separate estimates are made of intermediate consumption, consumption of fixed capital, other taxes less subsidies on production and net operating surplus. The output of dwelling services is the sum of these components,

— the self-assessment method, where owner-occupiers are asked to estimate a potential rental for their property,

— administrative assessment methods, where a potential rental is determined by third parties, e.g. by government for fiscal purposes.

The stratification method based on actual rentals is the preferred method. This method can also be used for estimating the value of all actual rentals from a sample of actual rentals and for estimating the value of dwelling services from dwellings let at a zero or low rental (see Section 1.4.1 for detail).

The user-cost method should be applied only under certain conditions and only for those strata of the housing stock where actual rentals are missing or statistically unreliable.

The self-assessment method should not be used due to a largely subjective influence on the estimate which leads to substantial uncertainties in the results.

Administrative assessment methods, especially when related to taxation, may produce biased results. However, sometimes results from objective assessment methods may be available for some strata. It is acceptable to use the results when the objectivity of the method and the comparability of the results can be demonstrated.

The stratification method uses information about actual rentals from rented dwellings to obtain an estimate of the rental value of the stock of dwellings. This may be interpreted as a grossing-up procedure based on a price times quantity approach. A stratification of the housing stock is required to obtain a reliable estimate and to include relative price differences properly. Subsequently, the average actual rental per stratum is applied to all dwellings in that particular stratum. If the available information is derived from sample surveys, this grossing-up relates to both a part of the rented and all owner-occupied dwellings. The detailed procedure to determine a rental per stratum is usually carried out for a base year and is then extrapolated to the current years.

The rental to be applied to owner-occupied dwellings in the stratification method is defined as the private market rental due for the right to use an unfurnished dwelling. The rentals for unfurnished dwellings from all private market contracts should be used to determine imputed rentals. Private market rentals that are at a low level due to government regulation should be included.

([1]) For consistency with ESA 2010 the term 'rental' is used throughout this text.

If the information source is the tenant, it may be necessary to correct the observed rental by adding any specific rental allowance, which is paid directly to the landlord. If the sample size for the observed rentals as defined above is not large enough, also observed rentals for furnished dwellings may be used for imputation purposes, provided they are adjusted for the furniture element. Exceptionally, also increased rentals for public-owned dwellings may be used. Low rentals for dwellings let to relatives or to employees should not be used (see Sections 1.2.3 and 1.4.1 for details).

The stratification method may be used also for grossing up to all rented dwellings. The average rental for imputation as described above may not be suitable for some segments of the rental market. For example, scaled-down rentals for furnished dwellings or increased public rentals may not be appropriate for the respective actually rented dwellings. Especially, in the case of the actually rented dwellings that are furnished, the furniture cost is in fact part of the rental and it should be included in the calculations for the output. Separate strata for actually rented furnished or social dwellings combined with appropriate average rentals can overcome this problem.

In principle, the rental should exclude charges for heating, water, electricity, etc. Where the data sources do not allow this, coherence between the rentals and intermediate consumption must be ensured (see Section 2 for details).

Where for certain strata of owner-occupied dwellings a representative actual rental is missing, this can be overcome in most cases by applying extrapolation or regression techniques.

An alternative to the standard stratification method which relies on extrapolating average rentals per stratum is the use of hedonic regression methods. Briefly, such methods use the sample data for rented dwellings to determine a price of each dwelling characteristic (size, location, presence of a balcony, etc.). Output is obtained by multiplying each characteristic of (a representative sample of) the dwelling stock with the hedonic price of this characteristic. Regression methods permit an enlarged number of variables to be taken into account and can be particularly effective when for some strata observed rentals are missing.

Obviously this does not solve the problem in the extreme case of all dwellings being owner-occupied or in the absence of a developed rental market. As an objective assessment for such cases the user-cost method should be applied. The user-cost method should only be applied to owner-occupied dwellings.

Details of the user-cost method

The user-cost method should only be applied when the stratification method based on actual rentals cannot be used because the rental market is unrepresentative.

By convention, this is considered to be the case when the following conditions are met: (1) the volume measure (number of dwellings or square meters of dwellings) of privately rented dwellings represents less than 10 % of the total volume measure (number of dwellings or square meters of dwellings) of dwellings; and (2) if (1) is fulfilled and the share of the total rented dwellings – market and non-market – in the total dwelling stock exceeds 10 %, the disparity between market and other paid rentals exceeds a factor of three. Even when both conditions apply, a Member State may still choose to use the stratification method provided that the results are of sufficient quality. When the conditions are not met, the stratification method should be used unless it can be demonstrated that no representative market rentals are available for significant parts of the dwelling stock and that the user-cost method produces more comparable results. If justified, the user-cost method can be applied for all or parts of the dwellings stock. When deciding on the split of the dwelling stock into the parts for which the user-cost method or the stratification method is applied, factors such as data limitations and the country specific situation should also be taken into account.

Under the user-cost method, the output of dwelling services is the sum of intermediate consumption, consumption of fixed capital (CFC), other taxes less subsidies on production and net operating surplus (NOS). For owner-occupied dwellings, no labour input is recorded for work done by the owners ([2]). Experience suggests that CFC and NOS are the two largest items, each representing 30 to 40 % of output.

([2]) It is conceptually possible that owner-occupiers, individually or collectively, employ housekeepers without involving other statistical units such as housing corporations or management service companies. Where this situation occurs, output according to the user-cost method should include an allowance for compensation of employees.

CFC should be calculated based on a perpetual inventory model (PIM) or other approved methods. A separate estimate for the owner-occupied residential buildings should be available.

The net operating surplus should be measured by applying a constant real annual rate of return of 2,5 % to the net value of the stock of owner-occupied dwellings at current prices (replacement costs). The real rate of return of 2,5 % is applied to the value of the stock at current prices since the increase in current value of dwellings is already taken account of in the PIM. The same rate of return should be applied to the value of the land at current prices on which the owner-occupied dwellings are located.

The value of land at current prices may be difficult to observe annually. Ratios of land value to the value of buildings in different strata may be derived from an analysis of the composition of the costs of new houses and associated land.

***Principle 1*:**

To compile the output of dwelling services Member States shall apply the stratification method based on actual rentals, either by direct extrapolation or by means of econometric regression. In respect of owner-occupied dwellings, this implies the use of actual rentals for similar rented dwellings. In the justified and exceptional case where actual rentals are missing or statistically unreliable, other objective methods, like the user-cost method, may be employed. No additional justification is required for compiling the output of owner-occupied dwellings with the user-cost method provided that two conditions are met: (1) privately rented dwellings represent less than 10 % of the dwelling stock; and (2) if (1) is fulfilled and the share of the total rented dwellings – market and non-market – in the total dwelling stock exceeds 10 %, the disparity between market and other paid rentals exceeds a factor of three.

1.2. **Stratification of the housing stock**

1.2.1. *Factors affecting the rental level*

A first set of variables determining the level of rentals concern the characteristics of the dwelling and the building. To start with, the size of a dwelling will be important, both in terms to the area and the number of rooms. The bigger the dwelling, the higher will be the rental. At the same time, the rental per square metre tends to fall with the size of a dwelling. However, for some categories of dwellings (e.g. flats in capital cities) there may be a U-shaped relation between the price per square metre and the size of the dwelling. Another important factor will concern the amenities of a dwelling. These may cover variables like the existence of a bathroom, a balcony/terrace, special flooring or wall covering, an open fire, central heating, air-conditioning, special glazing and other noise or thermal insulation measures; the layout of the dwelling is also relevant. With regard to the building, certain facilities may have an influence like a garage, a lift, a swimming-pool, a (roof-) garden or the position of a dwelling within the building. The type of the building (detached, semi-detached house, flat), the architecture, the age, or the number of dwellings in a building may also affect the rental.

A second set of variables relate to environmental characteristics. A well-known factor is the rental difference between a comparable dwelling in a city and a remote location. The distance to an economic centre or the form of the landscape (flat land, mountainous) may not be negligible factors. In addition, neighbourhood factors like the view, surrounding green areas, transport facilities and access, shops and schools or the reputation and security of a district tend to have an influence on the actual rental.

Another set of variables may be summarised as socio-economic factors. For instance, in most Member States rentals are influenced by general government regulations like rental restrictions or subsidies. Further, the age of the tenancy agreement, the type of contract (temporary, permanent), the number of inhabitants per dwelling (flat-sharing community), the type of owner (government, housing association, private, employer) or the rental policy of the landlord may also affect the rental.

Obviously, several additional variables may have an influence on rentals. But to collect all the abovementioned factors could lead to overburdened questionnaires. Therefore the use of capital values for stratification purposes may be considered. The rationale behind the use of the capital value of a dwelling is that it reflects all its important characteristics. The capital value can thus be considered as an implicit stratification factor. Using the ratio of the capital value to actual rental may be regarded as a feasible approach, especially in those Member States where the rented dwellings represent a minor part of the housing stock. Provided the ratio is stable, such a method would enable the rental value to be determined for those dwellings which only feature in the owner-occupied sector. In

addition, capital values do not exclude the use of 'physical' stratification criteria; they may be combined. In this situation, capital values are assumed to reflect the missing 'physical' stratification criteria. In any case, capital values to be used in the rentals calculation have to be based on an objective assessment established for an up-to-date reference year.

In practice the stratification differs from one Member State to another in respect of both the number of strata and the precise criteria used to define them. Although at first sight this may cause some concern, it should be stressed that certain basic criteria, like the size and the (geographical) location of a dwelling are used almost everywhere. Moreover, the aptness of other features will vary between Member States and Member States themselves are in the best position to determine significant criteria.

Principle 2:

For stratification purposes, Member States shall use important features of the dwellings. These may relate to the characteristics of the dwelling and the building, to environmental characteristics of the dwelling or to socio-economic factors. In addition, the use of up-to-date capital values is acceptable for stratification purposes, if these are based on an objective assessment.

1.2.2. *Selection of stratification criteria*

Given the various characteristics affecting the rental of a dwelling, the first task is to investigate those variables having a significant impact. One way of detecting significant variables is to produce a tabular analysis of the statistical information available. To obtain an objective measure of assessment, the variance of the actual rentals within a stratum would seem to be useful. This would create an incentive for possible improvements to the stratification by choosing strata in order to minimise the within-stratum variance. It is therefore recommended that the variance per stratum is calculated at least in those cases where the stratification affects the level of both actual and imputed rentals.

A more sophisticated approach is offered by advanced statistical techniques like (multiple) regression analysis. Such a technique allows the influence of individual variables to be assessed, so that the variation in rentals can be assigned to certain characteristics. Briefly, the explanatory power of a variable can be quantified via the correlation coefficient. As a by-product, it enables the characteristics to be ranked according to their importance. This helps to determine where to stratify in greater detail. Combining the most important variables, using multiple regression techniques, shows their overall explanatory power. The use of advanced statistical techniques to select important variables is considered to be an efficient way of stratifying the housing stock. In addition, regression analysis can be used directly for estimating the rentals, e.g. in the form of hedonic models. The technique is also a useful tool for estimating the average rental for strata where there are no corresponding observations in the rented sector (empty strata).

A further advantage of selecting stratification criteria on the basis of an advanced statistical technique is that it avoids the need to prescribe uniform criteria for all Member States. To obtain a comparable result, it is sufficient to establish a ranking of the most important criteria in each Member States and to stipulate the required overall level of explanatory power. Obviously, such a regression analysis depends largely on the available statistical information. However, even in a situation of restricted statistical information, this could be an incentive for future improvements.

Given that the information about the different variables affecting rentals mainly depends on the development of basic statistics, the possibility of using advanced statistical techniques may be restricted at present. Therefore a standard method is recommended, i.e. Member States shall apply all significant criteria as derived from tabular analyses. As a minimum, the size, the location and at least one other important feature of a dwelling have to be used to stratify the housing stock; this stratification should produce a minimum of 30 cells. The breakdown of the housing stock has to be meaningful and representative of the total stock of dwellings. An advanced statistical technique may be used to determine the important explanatory variable(s) for selecting the strata.

In practice, however, a Member State may prefer to use fewer variables, or variables other than those prescribed by the standard method. This is acceptable, as long as a (multiple) regression analysis proves an acceptable level of explanatory power. To guarantee comparable results, a correlation coefficient of at least 70 % is recommended as a threshold. This threshold value would be acceptable in the context of a large sample, with zero and cheap rentals as well as outliers having been removed.

***Principle 3*:**

Member States shall use tabular analyses or statistical techniques to derive significant stratification criteria. As a minimum, the size, the location and at least one other important feature of a dwelling have to be used. A minimum of 30 cells are to be produced and at least three size classes and two types of location shall be distinguished. The use of fewer or other variables is acceptable if it has been proved previously that the (multiple) correlation coefficient reaches 70 %.

1.2.3. *Actual and imputed rentals*

Imputed rentals are determined based on observed actual rentals. For imputation purposes, the rental is defined as the price due for the right to use an unfurnished dwelling. In order to meet this definition, observed rentals may have to be adjusted.

Charges for heating, water, electricity, etc. should be excluded from the rentals, although it may sometimes be difficult to separate them out in practice. To be in line with the valuation rules of the ESA 2010, the output of dwelling services should be at basic prices.

With regard to observed rentals, certain public supports are probably important. For instance, a specific household as a consumer is entitled to a general government transfer (e.g. housing benefit) but which, for administrative reasons, is paid directly to the landlord. Depending on the information source, the observed rental may differ. If the information source is the tenant, it may be necessary to correct the observed rental by adding back any specific rental allowance.

In addition, the use of actual rentals for imputation purposes requires the clarification of several fundamental questions having an impact on the harmonisation of the data. The first point relates to the question of whether use should be made of all actual rentals or only those from new contracts, for the imputation procedure. Depending on the purpose, different theoretical arguments can be put forward supporting actual rentals paid according to new contracts, contracts signed in the construction year or 'average' contracts. Applying the general rule, i.e. to use rentals of similar dwellings, it does not seem acceptable to limit the basis of imputation to rentals from new contracts. Given that 'average' rentals are used for the rented sector, the same should apply for owner-occupied dwellings. In addition, a different solution would probably pose great difficulties in many Member States when applying the stratification method. Briefly, the conclusion is that the average actual rentals from all contracts should be used to calculate imputed rentals. Consequently, private market rentals that are at a low level due to government regulation should also be included when calculating the average rentals.

The second question concerns the problem as to whether rentals of public-owned dwellings can be used for imputation purposes. Given that owner-occupied dwellings are mostly privately owned, in principle, only actual rentals from the private sector should be used for imputation purposes. However, if not enough observations of actual rentals of privately-owned dwellings are available to constitute a sufficient basis for the imputation, exceptionally, rentals of public-owned dwellings may be used, provided they are appropriately increased to serve as proxies for private market rentals.

A further question relates to the use of rentals from furnished dwellings to enlarge the basis for imputed rentals. In principle, the basis for imputing a rental value for owner-occupied dwellings is unfurnished rentals. Therefore, rentals for furnished dwellings cannot be used directly. In order to avoid imputing the wrong level of rental, they should be scaled down to exclude the payment for the use of the furniture.

Principle 4:

For imputation purposes, the rental shall be understood as the rental due for the right to use an unfurnished dwelling. If the information source is the tenant, it may therefore be necessary to correct the observed rental by adding back any specific rental allowance, which for administrative reasons is paid directly to the landlord. To compile imputed rentals, actual rentals from all contracts shall be exploited relating to privately-owned unfurnished dwellings. If necessary for statistical reasons, rentals of public-owned dwellings may, exceptionally, be used, provided they are appropriately increased to serve as proxies for private market rentals. Similarly, rentals from furnished dwellings may be included in the imputation basis after deduction of the rental differential between furnished and unfurnished dwellings.

1.3. **Sources for the base year estimate and methods of extrapolation**

1.3.1. *Housing stock*

An essential element of the calculation according to the stratification method is the information on the stock of dwellings. This information serves as a reference universe for extrapolation procedures. In general terms, the housing stock consists of all buildings or parts thereof which are used as dwellings. More details are given in the section on special problems. The major sources used to establish such a housing stock are housing censuses, administrative building registers or population censuses. The base year figure is then updated to arrive at the current year estimate.

With regard to the base year housing stock, housing censuses seem to be the least problematic and the most complete, especially when carried out together with a population census. Administrative building registers depend largely on legal procedures, which may cause uncertainties, for instance, about whether extensions, improvements, conversions and demolitions of dwellings are recorded properly. Using the information provided by households in a population census as the basis of the housing stock may cause problems because the results tend to underestimate second homes which are not occupied at the census date.

Principle 5:

For the compilation of the base year housing stock, Member States shall exploit either a housing census or a population census or an administrative building register as an initial basis. Since a housing census usually provides the highest degree of completeness, the use of administrative building registers and population censuses requires intensive and thorough checks to obtain exhaustiveness.

1.3.2. *Actual rentals*

The second fundamental element for the calculation of the output of dwelling services, according to the stratification method, concerns the actual rentals paid in the rented sector. Information on actual rentals in the base year may be derived from a census (e.g. population census) or from a sample survey such as a household budget survey or a specific rental survey. In the first case, actual rentals are probably covered in total and the calculations only have an impact on the level of imputed rentals. In the case of sample surveys, the calculations affect the level of both actual and imputed rentals. Obviously a census gives a broad basis for reliable information. But household budget surveys are normally also considered as fairly reliable, especially with regard to essential goods. However, differential non-response is known to be a general problem with this type of survey. If housing is considered as more of a luxury than as an essential item, this problem would have an undesirable impact on the results of the calculation, and should be offset. Another problem of a household budget survey, at least in some Member States, concerns its small sample size that may restrict the possibility of stratifying the rentals. In any case, available supplementary sources should be exploited as far as possible. This may, for instance, be the case in Member States where a high proportion of housing is under public control and housing agencies have to present accounts. Further, as an on-going task to improve the results, alternative sources, like specialised rental surveys, should be investigated.

Principle 6:

Member States shall exploit the broadest and most reliable sources to derive actual rentals per stratum, for example a population census or a household survey. Alternative sources should be assessed to improve the reliability and exhaustiveness, and particularly the stratification.

1.3.3. *Extrapolation of base year results*

Only few Member States have the annual information needed to carry out a full recalculation of the output of owner-occupied dwellings each year afresh. In most Member States the results for a given year are taken as the benchmark and subsequently updated to estimate the current year figure by means of indicators. The update may be made by applying a combined indicator to the (total) base year output, or by separately extrapolating the housing stock and the rental per stratum. Although similar results could be expected in general, structural shifts, e. g. in the relationship between rented and owner-occupied dwellings, may cause differences. In addition, a separate calculation would permit plausibility checks.

With regard to the indicators used, the quantity index is mostly derived from the output of the construction industry. The price indicator, on the other hand, is often based on the price index of rentals paid from the consumer price index. This may cause distortions in those cases where the assumption that imputed rentals follow the movement of the total is not justified, for instance, due to public rental controls. For the extrapolation of imputed rentals, it therefore seems preferable to use, as in the base year, a price index reflecting the movement of privately rented dwellings. Further, attention has to be drawn to the fact that price indices will normally exclude price increases due to quality changes. The price indices therefore have to be supplemented by a quality indicator reflecting improvements.

Finally it seems useful to minimise the impact of structural changes on the results by restricting the extrapolation period. Taking account in this respect of the periodicity of the relevant basic statistics, it seems appropriate to carry out a benchmarking of the housing stock every 10 years, i.e., the normal interval for population censuses. In addition, the benchmarking of the price element (rental per stratum) should be carried out at least every five years, i.e., the usual periodicity for household budget surveys.

Principle 7:

If it is not possible to carry out complete re-estimation of the output of dwelling services annually, Member States may extrapolate a given base year figure using appropriate quantity, price and quality indicators. The extrapolation of the housing stock and the average rental shall be carried out separately for each stratum. The extrapolation procedure shall distinguish between the calculations for actual and for imputed rentals. If necessary, the number of strata used for extrapolation may be less than that used for the base year calculation. To extrapolate the imputed rental for owner-occupied dwellings, in general, a price index reflecting private rentals shall be applied. In any case, the benchmarking of the housing stock should not exceed 10 years and that of the price element should not exceed five years, or similar quality should be achieved by appropriate other methods.

1.4. **Special problems**

1.4.1. *Rental-free and cheap dwellings*

When collecting data on actual rentals, sometimes zero or very low values will be observed. In the case of rental-free dwellings this leads to the strange situation that the dwelling service is actually provided but without a (visible) payment. It seems appropriate in such cases to adopt the solution that the observed actual zero rental be corrected. An analogous solution would appear logical for cheap dwellings.

Apart from interventions by general government, there are other reasons why rental-free or cheap dwellings may be observed. One example is an employee occupying an employer-owned dwelling at a reduced or zero rental. This may concern all kinds of employees, including housekeepers or guardians. In this case the actual rental has to be corrected and the difference between the actual and comparable rental will be treated as remuneration in kind (see paragraphs 4.04 to 4.06 of Annex A to ESA 2010). Another possibility is that dwellings are let at a zero or very low rental to relatives or friends. In this case the correction may be obtained by simply reclassifying those dwellings from the rented to the owner-occupied sector. Further, a similar correction seems appropriate in the case of lump sum payments by tenants, i.e., where the tenant makes a pre-payment of the rental for a longer than normal period.

Principle 8:

The actual rental observed in the case of rental-free and cheap dwellings shall be corrected to include the full dwelling service. Neither zero rentals nor cheap rentals shall be used to calculate imputed rentals, on an uncorrected basis. Therefore, for calculating both the actual and imputed rentals, corrections should be made in order to ensure that the value of output reflects the full dwelling service provided.

1.4.2. *Holiday homes*

Holiday homes cover all kinds of leisure-time dwellings like the nearby weekend-house which is used for short periods many times a year or the more distant resort-home which is used for longer periods but only few times a year. At first sight the case of rented holiday homes seems no problem, since the actual rental paid is taken as a measure for output. However, if the actual rentals collected are on a monthly basis, the extrapolation to the yearly total may lead to over-estimates if no supplementary information on the average occupation time is included.

To calculate an imputed rental for owner-occupied holiday homes, the most logical approach is to stratify these properties and to apply the appropriate average annual rental for actually rented similar accommodation. The annual rental implicitly reflects the average occupation time. In the case of difficulties, a substitute method may be applied, i.e., to collect information on holiday homes in one stratum and to apply the average annual rental for actually rented holiday homes to the owner-occupied ones. Thirdly, it is acceptable to use the full annual rental for ordinary dwellings, in the same stratum of location, where holiday homes account for a very minor part of the housing stock or where they cannot be separated from other dwellings. Even in the case of resort homes these procedures seem reasonable when taking into account that they are always available to the owner and will also be used free of charge by his or her friends or relatives.

In exceptional cases of missing or statistically unreliable actual rentals for certain strata of holiday homes, other objective methods, like the user-cost method, may be employed. In the cases where the user-cost method is entirely used as the only feasible method for this dwelling type, a justified assumption on the average occupation time has to be applied in order to ensure comparability, unless it can be considered that the holiday homes are always available to the owner throughout the year. In the case where an assumption on the average occupation time is justified, attention has to be drawn to the need of ensuring plausible results in the sense that all the costs are covered by the output under the user-cost method. This can be achieved by making an adjustment for reflecting the average occupation time only to the net operating surplus.

Principle 9:

Holiday homes cover all kinds of leisure-time dwellings like the nearby weekend-house or the more distant resort-home. To estimate the output of holiday homes the annual average rentals of similar facilities shall preferably be used. The annual rental implicitly reflects the average occupation time. Although stratification would seem desirable, holiday homes may be grouped in one stratum. If holiday homes account for a very minor part of the housing stock, the full annual rental of ordinary dwellings, in the same stratum of location, may be used. In the justified exceptional case of missing or statistically unreliable actual rentals for certain strata of holiday homes, other objective methods, like the user-cost method, may be employed.

1.4.3. *Time-sharing accommodation*

In the case of time-share, a real estate agent sells the right to stay for a fixed period each year in a certain dwelling located in a tourist area and takes care of the administration of this property. The right is guaranteed by a certificate, which is issued after the initial payment. This certificate may be traded at the current price. Periodic payments are further due to cover administrative costs.

From this description it follows that the initial payment should be treated as an investment since the certificate issued is similar to a share. This is supported by the fact that at least in one Member State's law the purchaser acquires a real right. Thus it would seem useful to include the initial payment under intangible assets in the national accounts. Further, it would seem logical to consider the rental-free accommodation service as a dividend in kind paid by the real estate agent.

The fundamental problem is that a service is actually provided by the time-share accommodation which is not included in the output of the economy. Logically this requires a correction. To start with, the proposal to accept the periodic payment as a proxy implicitly means that no correction is made for the accommodation service, since the periodic payment covers a different service, namely management costs. Another theoretical possibility would be to consider the initial payment as a prepayment of the service provided and to distribute it over the relevant periods of occupation. Apart from the statistical problems of putting this model into practice, there seems to be a contradiction in legal terms since the implicit interpretation is a purchase of a service and not the acquisition of an asset.

A further possibility consists of deriving a proxy from annual actual rentals for similar (self-catering) accommodation facilities. This solution is supported by the fact that time-share accommodations are located in tourist areas and coexist with actually rented holiday apartments. In the case of difficulties, the two other methods proposed for holiday homes are also acceptable for time-share properties. The imputed rental should be on a net basis, to avoid double-counting charges covered by the periodic payment.

Principle 10:

With regard to time-share accommodation, the same procedures shall be applied as for holiday homes.

1.4.4. *Spare room lodgers*

In most Member States a large number of students are accommodated in spare rooms. Often this extends to other younger people or those who are employed in a job which involves being away from home. If the room is a part of a rented dwelling, i.e. is sublet, no major problems seem to exist. The spare room rental can be considered as a contribution to the actual main rental, i.e., a transfer between households. However, if the room is a part of an owner-occupied dwelling it would be double counting to include both the rental that the lodger pays as well as the imputed rental in its entirety. Probably the correct solution would be to take the actual rental paid by the lodger for the percentage of the dwelling he or she occupies and to impute a rental for the rest. However, this may not be practicable to implement. Instead one could consider the rental as a transfer involving the sharing of the expenses of the dwelling. This would be similar to the first case in so far as the actual spare room rental is considered as a contribution to the imputed main rental. As a consequence of this treatment, a correction will be due if the household sector is broken down by groups.

A further point is how to deal with subletting various rooms. In this case, it is suggested that the term spare room lodgers only applies when the owner or the main tenant him/herself also continues to occupy the dwelling. Otherwise, the subletting should be considered as a separate economic activity (dwelling service or pension).

Principle 11:

Rentals paid for spare rooms within a dwelling shall be considered as a contribution to the main rental as long as the owner or the main tenant continues to occupy the dwelling.

1.4.5. *Empty dwellings*

First, a rented dwelling is always considered as occupied even if the tenant chooses to live elsewhere. Secondly, in line with the general solution agreed for holiday homes and time-share accommodation, the annual rental implicitly reflects the average time of occupancy. The problem of empty dwellings is therefore restricted to non-rented dwellings which are not used by the owner, i.e., which are available to be sold or rented. In such cases no dwelling service is provided, so a zero rental should be inserted.

The necessary information to determine whether a non-rented property is empty or not can be based on the declaration of the owner or neighbours. In the absence of such information, the existence of furniture may be used as an indication that the property is occupied. In contrast, unfurnished dwellings can be considered as empty, since it is difficult to imagine that a dwelling service is being provided. Empty dwellings should also include dwellings which are repossessed following defaults of payments, or which are empty for a short period because a housing agency does not immediately find a new tenant. A borderline case is an empty dwelling which is fully furnished and can be used by the owner immediately. Here one might argue that no dwelling service is provided as long as it is not actually occupied by the owner. But since it is comparable to the case of a rented but empty dwelling, it seems appropriate to insert a rental. Therefore, furnished owner-occupied dwellings are generally regarded as occupied.

An empty dwelling may still incur costs, like current expenditure on maintenance, electricity, insurance premiums, taxes, etc. These should be included under intermediate consumption, other taxes on production, etc. As in the case of an enterprise not producing any services, this may lead to a negative value added.

In the cases where the user-cost method is used, empty dwellings should be correctly distinguished from the rest of the dwelling stock so that the value of the output is not affected implicitly in the calculations by considering all cost components such as the consumption of fixed capital and net operating surplus. At first sight, the case of empty dwellings in the context of social housing may cause some concern due to the similar implicit effect on output through the sum-of-costs approach that is relevant for the non-market sectors providing social housing. However, the impact in this case is expected to be highly insignificant. Moreover, the empty dwelling in the context of social housing can always be considered as occupied since it is available to be used by the owner (general government or non-profit institutions serving households) for the purpose of providing the function of social protection.

Principle 12:

For a non-rented dwelling, which is available to be sold or rented, a zero rental shall be inserted. A furnished owner-occupied dwelling in general shall be treated as an occupied dwelling.

1.4.6. *Garages*

Since garages are a part of gross fixed capital formation, it is appropriate not only to include the service of the rented ones in the output of the economy but also to calculate an imputed output for owner-occupied garages. In both cases the garage represents an element of comfort of the dwelling like any other facility. This should include car ports and parking places since they probably have the same function.

Paragraph 3.75 of Annex A to ESA 2010 states that 'for garages located separately from dwellings, which are used by the owner for final consumption purposes in connection with using the dwelling, a similar imputation is to be made.'

Usually there are more owner-occupied dwellings than rented dwellings with a garage. To include this structural difference properly, the best way seems to use the existence of a garage as a stratification criterion.

Principle 13:

Garages and parking places used for final consumption purposes provide services to be included in dwelling services.

2. INTERMEDIATE CONSUMPTION

Intermediate consumption has to be consistent with output. In line with the classification of individual consumption according to purpose (COICOP), charges for heating, water, electricity, etc. as well as most of the maintenance and repair associated to housing should be recorded separately and hence excluded from output of dwelling services.

In practice, however, various charges as well as maintenance and repair may have to be considered to be part of the rental service on the ground that they cannot be separated out. The level of GNI should not be affected, if a gross treatment is carried out consistently for intermediate consumption and output.

With respect to repair and maintenance, three categories should be distinguished. First, improvements to existing fixed assets that go well beyond the requirements of ordinary maintenance and repairs are included in gross fixed capital formation (paragraph 3.129 of Annex A to ESA 2010).

Second, expenditure on ordinary maintenance and repairs that an owner-occupier incurs on the decoration, maintenance and repair of the dwelling not typically carried out by tenants is treated as intermediate consumption in producing dwelling services (paragraph 3.96 of Annex A to ESA 2010).

Finally, cleaning, decoration and maintenance of the dwelling as far as these activities are also common for tenants are excluded from production (paragraph 3.09 of Annex A to ESA 2010). Expenses related to these activities should be recorded directly as final consumption of households. Paragraph 3.95 of Annex A to ESA 2010 states that household final consumption expenditure includes the materials for small repairs to and interior decoration of dwellings of a kind typically carried out by tenants as well as owners.

This means that, for owner-occupied dwellings, intermediate consumption should cover the same types of ordinary maintenance and repairs as would normally be regarded as intermediate consumption by the landlord for similar rented dwellings. Expenditure on repairs and maintenance of a type typically undertaken by tenants rather than landlords should be treated as household final consumption expenditure for both tenants and owner-occupiers.

Intermediate consumption of ordinary maintenance and repairs related to owner-occupied dwellings may be derived from direct statistical sources such as household budget surveys. When the ratio of intermediate consumption to output for owner-occupied dwellings is very different from the ratio for the rented sector, the reasons for this should be investigated. When the difference is caused by differences in quality, for example a different level of ordinary maintenance for otherwise similar dwellings, imputed rentals should be adjusted accordingly.

Intermediate consumption should include financial intermediation services indirectly measured (FISIM) in accordance with Chapter 14 of Annex A to ESA 2010. This includes intermediate consumption of households in their capacity as owners of dwellings in relation to dwelling loans.

As stated in Section 1.4.5, empty dwellings can lead to intermediate consumption. As a general point, it is stressed that double-counting of intermediate consumption in the case of employer-owned dwellings should be avoided.

Principle 14:

Intermediate consumption shall be established in line with the definition of output of dwelling services. In general both items should exclude charges for heating, water, electricity, etc. If for practical reasons a different treatment is preferred, this is acceptable as long as the levels of GDP and GNI are not affected.

3. TRANSACTIONS WITH THE REST OF THE WORLD

According to ESA 2010 (paragraphs 1.63 and 2.29 of Annex A, non-resident units are considered as notional resident units in their capacity as owners of land or buildings on the economic territory of the country, but only in respect of transactions affecting such land or buildings.

This means that the service provided by a dwelling owned by a non-resident is included in the output of the economy where the dwelling is located. In the case of an owner-occupied dwelling of a non-resident, an export of dwelling services is then to be recorded, and the corresponding net operating surplus is recorded as primary income paid to the rest of the world (paragraphs 3.173 and 4.60 of Annex A to ESA 2010).

With regard to residents owning dwellings abroad, paragraph 3.75 of Annex A to ESA 2010 states that 'the rental value of owner-occupied dwellings abroad, e.g. holiday homes, should not be recorded as part of domestic production, but as imports of services and the corresponding net operating surplus as primary income received from the Rest of the World.'

In general few problems arise if the property owned by a non-resident is actually rented to a resident, since a monetary flow will be observed and included in the balance of payments. Dwellings owned and occupied by foreign residents would have to be identified separately. The nationality of an owner-occupier is not sufficient to separate a resident from a non-resident. Holiday homes owned by foreign residents will probably matter most and it would be useful to obtain an agreement about the number of non-resident owners between the Member States concerned. However, there is a general lack of information on non-resident owner-occupiers. Information about residents owning holiday homes abroad is even scarcer. To avoid inconsistencies, a Member State deducting a primary income for dwellings occupied by non-resident owners should at the same time add a primary income for dwellings abroad owned and occupied by residents.

A special issue in this regard relates to time-share properties. Since for the same accounting period such a property may be occupied by residents of different countries, a direct allocation to the country of origin seems almost impossible. Comparable results may be obtained using a more feasible approach. First, the (imputed) value added generated by time-share accommodation is allocated to the country of origin of the owning company. Subsequently the owning company may be asked to provide information on the countries of origin of the time-share owners, which may serve as a distribution key.

Principle 15:

According to ESA 2010, all dwellings on the economic territory of a Member State contribute to its GDP. The net operating surplus received by non-residents as owners of land and buildings in that Member State is to be recorded as property income to the rest of the world and therefore to be deducted from GDP during the transition to GNI (and vice versa). This net operating surplus shall be understood as the net operating surplus from actual and imputed renting of dwellings. A Member State deducting a property income for dwellings occupied by non-resident owners should at the same time add a property income for dwellings abroad owned and occupied by residents.

COMMISSION DELEGATED REGULATION (EU) 2021/1950

of 10 November 2021

amending Directive 2009/81/EC of the European Parliament and of the Council in respect of the thresholds for supply, service and works contracts

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC ([1]), and in particular Article 68(1), second subparagraph,

Whereas:

(1) By Decision 2014/115/EU ([2]), the Council approved the Protocol amending the Agreement on Government Procurement ([3]) concluded in the framework of the World Trade Organization. The amended Agreement on Government Procurement ('the Agreement') is a plurilateral instrument and its purpose is to mutually open government procurement markets among its parties. The Agreement applies to any procurement contract with a value that reaches or exceeds the amounts set therein ('thresholds') expressed as special drawing rights.

(2) One of the objectives of Directive 2014/25/EU of the European Parliament and of the Council ([4]) is to allow the contracting entities and the contracting authorities, which apply that Directive, to comply at the same time with the obligations laid down in the Agreement. In accordance with Article 17 of Directive 2014/25/EU every 2 years the Commission is to verify that the thresholds set out in Article 15, points (a) and (b), of that Directive correspond to the thresholds established in the Agreement and is to, where necessary, revise them.

(3) The thresholds laid down in Directive 2014/25/EU have been revised. In accordance with Article 68(1) of Directive 2009/81/EC, the thresholds laid down in that Directive are to be aligned to the revised thresholds laid down in Directive 2014/25/EU.

(4) Pursuant to Article 68(1) of Directive 2009/81/EC, the Commission is also to revise the thresholds laid down in Article 8 of that Directive at the same time as thresholds laid down in Directive 2004/17/EC of the European Parliament and of the Council ([5]) are revised. Article 17(1) of Directive 2014/25/EU, which repealed Directive 2004/17/EC, requires that every two years the Commission revise the thresholds with the effect from 1 January. Hence, the thresholds for the years 2022–2023 should apply as of 1 January 2022.

(5) Directive 2009/81/EC should therefore be amended accordingly,

([1]) OJ L 216, 20.8.2009, p. 76.
([2]) Council Decision 2014/115/EU of 2 December 2013 on the conclusion of the Protocol Amending the Agreement on Government Procurement (OJ L 68, 7.3.2014, p. 1).
([3]) OJ L 68, 7.3.2014, p. 2.
([4]) Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC (OJ L 94, 28.3.2014, p. 243).
([5]) Directive 2004/17/EC of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134, 30.4.2004, p. 1).

HAS ADOPTED THIS REGULATION:

Article 1

Article 8 of Directive 2009/81/EC is amended as follows:

(1) in point (a), 'EUR 428 000' is replaced by 'EUR 431 000';

(2) in point (b), 'EUR 5 350 000' is replaced by 'EUR 5 382 000'.

Article 2

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

It shall apply from 1 January 2022.

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

Done at Brussels, 10 November 2021.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION DELEGATED REGULATION (EU) 2021/1951

of 10 November 2021

amending Directive 2014/23/EU of the European Parliament and of the Council in respect of the thresholds for concessions

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2014/23/EU of the European Parliament and of the Council of 26 February 2014 on the award of concession contracts ([1]), and in particular Article 9(4), second subparagraph thereof,

Whereas:

(1) By Decision 2014/115/EU ([2]), the Council approved the Protocol amending the Agreement on Government Procurement ([3]) concluded in the framework of the World Trade Organization. The amended Agreement on Government Procurement ('the Agreement') is a plurilateral instrument and its purpose is to mutually open government procurement markets among its parties. The Agreement applies to any procurement contract with a value that reaches or exceeds the amounts set therein ('thresholds') and expressed as special drawing rights.

(2) One of the objectives of Directive 2014/23/EU is to allow the contracting entities and the contracting authorities, which apply that Directive to comply at the same time with the obligations laid down in the Agreement. To ensure that the threshold for concession set in Article 8(1) of Directive 2014/23/EU corresponds to the threshold for concessions established in the Agreement it is necessary to revise the threshold set out in that Directive.

(3) Article 9(1) of Directive 2014/23/EU requires that every two years the Commission revise the thresholds with the effect from 1 January. Hence, the thresholds for the years 2022-23 should apply as of 1 January 2022.

(4) Directive 2014/23/EU should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

In Article 8(1) of Directive 2014/23/EU, 'EUR 5 350 000' is replaced by 'EUR 5 382 000'.

Article 2

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

([1]) OJ L 94, 28.3.2014, p. 1.
([2]) Council Decision 2014/115/EU of 2 December 2013 on the conclusion of the Protocol Amending the Agreement on Government Procurement (OJ L 68, 7.3.2014, p. 1).
([3]) OJ L 68, 7.3.2014, p. 2.

It shall apply from 1 January 2022.

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

Done at Brussels, 10 November 2021.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION DELEGATED REGULATION (EU) 2021/1952

of 10 November 2021

amending Directive 2014/24/EU of the European Parliament and of the Council in respect of the thresholds for public supply, service and works contracts, and design contests

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC ([1]), and in particular Article 6(5), second subparagraph thereof,

Whereas:

(1) By Decision 2014/115/EU ([2]), the Council approved the Protocol amending the Agreement on Government Procurement ([3]) concluded in the framework of the World Trade Organization. The amended Agreement on Government Procurement ('the Agreement') is a plurilateral instrument and its purpose is to mutually open government procurement markets among its parties. The Agreement applies to any procurement contract with a value that reaches or exceeds the amounts set therein ('thresholds') and expressed as special drawing rights.

(2) One of the objectives of Directive 2014/24/EU is to allow the contracting authorities which apply that Directive to comply at the same time with the obligations laid down in the Agreement. To ensure that the thresholds set in Article 4, points (a), (b) and (c), of Directive 2014/24/EU correspond to the thresholds established in the Agreement, it is necessary to revise the threshold set in that Directive. In accordance with Article 6(2) of Directive 2014/24/EU, the thresholds established in Article 13 of that Directive are to be aligned with the thresholds set out in Article 4, points (a) and (c), of that Directive.

(3) Article 6(1) of Directive 2014/24/EU requires that every two years the Commission revise the thresholds with the effect from 1 January. Hence, the thresholds for the years 2022-2023 should apply as of 1 January 2022.

(4) Directive 2014/24/EU should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Directive 2014/24/EU is amended as follows:

(1) Article 4 is amended as follows:

(a) in point (a), 'EUR 5 350 000' is replaced by 'EUR 5 382 000';

(b) in point (b), 'EUR 139 000' is replaced by 'EUR 140 000';

(c) in point (c), 'EUR 214 000' is replaced by 'EUR 215 000';

(2) Article 13, first paragraph is amended as follows:

(a) in point (a), 'EUR 5 350 000' is replaced by 'EUR 5 382 000';

(b) in point (b), 'EUR 214 000' is replaced by 'EUR 215 000'.

([1]) OJ L 94, 28.3.2014, p. 65.

([2]) Council Decision 2014/115/EU of 2 December 2013 on the conclusion of the Protocol Amending the Agreement on Government Procurement (OJ L 68, 7.3.2014, p. 1).

([3]) OJ L 68, 7.3.2014, p. 2.

Article 2

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

It shall apply from 1 January 2022.

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

Done at Brussels, 10 November 2021.

For the Commission
The President
Ursula VON DER LEYEN

COMMISSION DELEGATED REGULATION (EU) 2021/1953

of 10 November 2021

amending Directive 2014/25/EU of the European Parliament and of the Council in respect of the thresholds for supply, service and works contracts, and design contests

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2014/25/EU of the European Parliament and of the Council of 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors and repealing Directive 2004/17/EC ([1]), and in particular Article 17(4), second subparagraph thereof,

Whereas:

(1) By Decision 2014/115/EU ([2]), the Council approved the Protocol amending the Agreement on Government Procurement ([3]) concluded in the framework of the World Trade Organization. The amended Agreement on Government Procurement ('the Agreement') is a plurilateral instrument and its purpose is to mutually open government procurement markets among its parties. The Agreement applies to any procurement contract with a value that reaches or exceeds the amounts set therein ('thresholds) and expressed as special drawing rights.

(2) One of the objectives of Directive 2014/25/EU is to allow the contracting entities, which apply that Directive to comply at the same time with the obligations laid down in the Agreement. In accordance with Article 17(1) of Directive 2014/25/EU, every 2 years the Commission is to verify that the thresholds for supply, service and works contracts, and design contests set out in Article 15, points (a) and (b), of that Directive correspond to the thresholds established in the Agreement. Given that the value of the thresholds calculated in accordance with Article 17(1) of Directive 2014/25/EU is different from the value of the thresholds set out in Article 15, points (a) and (b), of that Directive, it is necessary to revise these thresholds.

(3) Article 17(1) of Directive 2014/25/EU requires that every two years the Commission revise the thresholds with the effect from 1 January. Hence, the thresholds for the years 2022-23 should apply as of 1 January 2022.

(4) Directive 2014/25/EU should therefore be amended accordingly,

HAS ADOPTED THIS REGULATION:

Article 1

Article 15 of Directive 2014/25/EU is amended as follows:

(1) in point (a), 'EUR 428 000' is replaced by 'EUR 431 000';

(2) in point (b), 'EUR 5 350 000' is replaced by 'EUR 5 382 000'.

Article 2

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

([1]) OJ L 94, 28.3.2014, p. 243.

([2]) Council Decision 2014/115/EU of 2 December 2013 on the conclusion of the Protocol Amending the Agreement on Government Procurement (OJ L 68, 7.3.2014, p. 1).

([3]) OJ L 68, 7.3.2014, p. 2.

It shall apply from 1 January 2022.

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

Done at Brussels, 10 November 2021.

For the Commission
The President
Ursula VON DER LEYEN

DECISIONS

COUNCIL DECISION (EU) 2021/1954

of 9 November 2021

appointing a member, proposed by the Kingdom of Belgium, of the European Economic and Social Committee

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 302 thereof,

Having regard to Council Decision (EU) 2019/853 of 21 May 2019 determining the composition of the European Economic and Social Committee ([1]),

Having regard to the proposal of the Belgian Government,

After consulting the European Commission,

Whereas:

(1) Pursuant to Article 300(2) of the Treaty, the Economic and Social Committee is to consist of representatives of organisations of employers, of the employed, and of other parties representative of civil society, notably in socioeconomic, civic, professional and cultural areas.

(2) On 2 October 2020, the Council adopted Decision (EU) 2020/1392 ([2]), appointing the members of the European Economic and Social Committee for the period from 21 September 2020 to 20 September 2025.

(3) A member's seat on the European Economic and Social Committee has become vacant following the resignation of Ms Sophie GRENADE.

(4) The Belgian Government has proposed Ms Miranda ULENS, *Secrétaire générale de l'ABVV-FGTB, Federation Générale du Travail de Belgique* (Secretary-General of the trade union ABVV-FGTB), as a member of the European Economic and Social Committee for the remainder of the current term of office, which runs until 20 September 2025,

HAS ADOPTED THIS DECISION:

Article 1

Ms Miranda ULENS, *Secrétaire générale de l'ABVV-FGTB, Federation Générale du Travail de Belgique* (Secretary-General of the trade union ABVV-FGTB), is hereby appointed as a member of the European Economic and Social Committee for the remainder of the current term of office, which runs until 20 September 2025.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 9 November 2021.

For the Council
The President
A. ŠIRCELJ

([1]) OJ L 139, 27.5.2019, p. 15.

([2]) Council Decision (EU) 2020/1392 of 2 October 2020 appointing the members of the European Economic and Social Committee for the period from 21 September 2020 to 20 September 2025, and repealing and replacing the Council Decision appointing the members of the European Economic and Social Committee for the period 21 September 2020 to 20 September 2025 adopted on 18 September 2020 (OJ L 322, 5.10.2020, p. 1).

COUNCIL DECISION (EU) 2021/1955

of 9 November 2021

appointing a member, proposed by the Republic of Austria, of the Committee of the Regions

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 305 thereof,

Having regard to Council Decision (EU) 2019/852 of 21 May 2019 determining the composition of the Committee of the Regions ([1]),

Having regard to the proposal of the Austrian Government,

Whereas:

(1) Pursuant to Article 300(3) of the Treaty, the Committee of the Regions is to consist of representatives of regional and local bodies who either hold a regional or local authority electoral mandate or are politically accountable to an elected assembly.

(2) On 10 December 2019, the Council adopted Decision (EU) 2019/2157 ([2]), appointing the members and alternate members of the Committee of the Regions for the period from 26 January 2020 to 25 January 2025.

(3) A member's seat on the Committee of the Regions has become vacant following the end of the mandate on the basis of which Mr Markus LINHART was proposed for appointment.

(4) The Austrian Government has proposed Mr Bernhard BAIER, representative of a regional or local body who holds a local authority electoral mandate, *Gemeinderat der Stadt Linz* (Municipal Council of the City of Linz), as a member of the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2025,

HAS ADOPTED THIS DECISION:

Article 1

Mr Bernhard BAIER, representative of a regional or local body who holds an electoral mandate, *Gemeinderat der Stadt Linz* (Municipal Council of the City of Linz), is hereby appointed as a member of the Committee of the Regions for the remainder of the current term of office, which runs until 25 January 2025.

Article 2

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 9 November 2021.

For the Council
The President
A. ŠIRCELJ

([1]) OJ L 139, 27.5.2019, p. 13.
([2]) Council Decision (EU) 2019/2157 of 10 December 2019 appointing the members and alternate members of the Committee of the Regions for the period from 26 January 2020 to 25 January 2025 (OJ L 327, 17.12.2019, p. 78).

CORRIGENDA

Corrigendum to Regulation (EU) 2019/2144 of the European Parliament and of the Council of 27 November 2019 on type-approval requirements for motor vehicles and their trailers, and systems, components and separate technical units intended for such vehicles, as regards their general safety and the protection of vehicle occupants and vulnerable road users, amending Regulation (EU) 2018/858 of the European Parliament and of the Council and repealing Regulations (EC) No 78/2009, (EC) No 79/2009 and (EC) No 661/2009 of the European Parliament and of the Council and Commission Regulations (EC) No 631/2009, (EU) No 406/2010, (EU) No 672/2010, (EU) No 1003/2010, (EU) No 1005/2010, (EU) No 1008/2010, (EU) No 1009/2010, (EU) No 19/2011, (EU) No 109/2011, (EU) No 458/2011, (EU) No 65/2012, (EU) No 130/2012, (EU) No 347/2012, (EU) No 351/2012, (EU) No 1230/2012 and (EU) 2015/166

(Official Journal of the European Union L 325 of 16 December 2019)

1. On page 3, recital (14):

for: '(14) Any processing of personal data, such as information about the driver processed in event data recorders or information about the driver's drowsiness and attention or the driver's distraction, should be carried out in accordance with with Union data protection law, ….',

read: '(14) Any processing of personal data, such as information about the driver processed in event data recorders or information about the driver's drowsiness and attention or the driver's distraction, should be carried out in accordance with Union data protection law, ….'.

2. On page 13, Article 9(2):

for: '2. Vehicles of categories M_2, M_3, N_2 and N_3 shall be equipped with a lane departure warning system and an advanced emergency braking system, both of which shall comply with the the technical specifications ….',

read: '2. Vehicles of categories M_2, M_3, N_2 and N_3 shall be equipped with a lane departure warning system and an advanced emergency braking system, both of which shall comply with the technical specifications ….'.

3. On page 16, point (b) of Article 16:

for: '(b) with effect from the dates specified Annex II, with respect to a particular requirement …',

read: '(b) with effect from the dates specified in Annex II, with respect to a particular requirement …'.

4. On page 19, Annex I, column 'Subject', row 'UN Regulation Number' 48:

for: 'Installation of lighting and light-signalling devices on motor vehicles',

read: 'Installation of lighting and light-signalling devices on vehicles'.

5. On page 22, Annex I, column 'Scope covered by the UN Regulation', row 'UN Regulation Number' 137:

for: 'M1',

read: 'M_1'.

6. On page 25, Annex II, column 'Additional specific technical provisions', row 'A20 Frontal off-set impact':

for: 'Applies to vehicle categories M1 with a maximum mass ≤ 3 500 kg and N1 with a maximum mass... ',

read: 'Applies to vehicle categories M_1 with a maximum mass ≤ 3 500 kg and N_1 with a maximum mass …'.

7. On page 25, Annex II, column 'Additional specific technical provisions', row ' A25 Side impact':

for: 'Applies to all vehicles of categories M1 and N1 including…',

read: 'Applies to all vehicles of categories M_1 and N_1 including…'.

8. On page 26, Annex II, column 'Additional specific technical provisions', row 'A27 Rear impact':

for: 'Applies to vehicle categories M1 with a maximum mass ≤ 3 500 kg and N1. Post-crash …',

read: 'Applies to vehicle categories M_1 with a maximum mass ≤ 3 500 kg and N_1. Post-crash ...'.

9. On page 26, Annex II, column 'Additional specific technical provisions', row 'B8 Forward vision':

for: 'Applies to vehicle categories M1 and N1',

read: 'Applies to vehicle categories M_1 and N_1.'.

10. On page 28, Annex II, column 'Additional specific technical provisions', row 'C13 Tyre pressure monitoring for light-duty vehicles':

for: 'Applies to vehicle categories M1 with a maximum mass ≤ 3 500 kg and N1.',

read: 'Applies to vehicle categories M_1 with a maximum mass ≤ 3 500 kg and N_1.'.

11. On page 32, Annex II, footnote (4):

for: '(4) The following vehicles are exempted:
— semi-trailer towing vehicles of category N2 with a maximum mass exceeding 3,5 tonnes but not exceeding 8 tonnes,
— vehicles of categories M2 and M3 of Class A, Class I and Class II as defined in paragraph 2.1 of UN Regulation No 107,

— articulated buses of category M3 of Class A, Class I and Class II as defined in paragraph 2.1 of UN Regulation No 107,
— off-road vehicles of categories M2, M3, N2 and N3,
— special purpose vehicles of categories M2, M3, N2 and N3, and
— vehicles of categories M2, M3, N2 and N3 with more than three axles.',

read: '(4) The following vehicles are exempted:
— semi-trailer towing vehicles of category N_2 with a maximum mass exceeding 3,5 tonnes but not exceeding 8 tonnes,
— vehicles of categories M_2 and M_3 of Class A, Class I and Class II as defined in paragraph 2.1 of UN Regulation No 107,
— articulated buses of category M_3 of Class A, Class I and Class II as defined in paragraph 2.1 of UN Regulation No 107,
— off-road vehicles of categories M_2, M_3, N_2 and N_3,
— special purpose vehicles of categories M_2, M_3, N_2 and N_3, and
— vehicles of categories M_2, M_3, N_2 and N_3 with more than three axles.'.

12. On page 35, Annex III, point (f) of point (2):

for: '(i) the table "Part I: Vehicles belonging to category M1" is amended as follows:',

read: '(i) the table "Part I: Vehicles belonging to category M_1" is amended as follows:'.

13. On page 36, Annex III, point (f) of point (2):

for: '(ii) the table "Part II Vehicles belonging to category N1" is amended as follows:',

read: '(ii) the table "Part II Vehicles belonging to category N_1" is amended as follows:'.

14. On page 37, Annex III, point (iv) of point (4)(c):

for: '(iv) the following point is added:
"5. Points 1 to 4 also apply to vehicles of category M1 that are not categorised as special purpose vehicles but are wheelchair accessible vehicles.";',

read: '(iv) the following point is added:
"5. Points 1 to 4 also apply to vehicles of category M_1 that are not categorised as special purpose vehicles but are wheelchair accessible vehicles.";'.

Corrigendum to Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012

(Official Journal of the European Union L 150 of 7 June 2019)

(1) On page 18, Article 6, new paragraph 1a, first subparagraph:

for: '1a. By way of derogation from paragraph 1 of this Article, only institutions identified as resolution entities that are also G-SIIs or that are part of a G-SII, and that do not have subsidiaries shall comply with the requirement laid down in Article 92a on an individual basis.',

read: '1a. By way of derogation from paragraph 1 of this Article, only institutions identified as resolution entities that are also G-SII entities and that do not have subsidiaries shall comply with the requirements laid down in Article 92a on an individual basis.'.

(2) On page 20, Article 11, new paragraph 3a, first subparagraph:

for: '3a. By way of derogation from paragraph 1 of this Article, only parent institutions identified as resolution entities that are G-SIIs, part of a G-SII or part of a non-EU G-SII shall comply with Article 92a of this Regulation on a consolidated basis, to the extent and in the manner set out in Article 18 of this Regulation.',

read: '3a. By way of derogation from paragraph 1 of this Article, only parent institutions identified as resolution entities that are G-SII entities shall comply with Article 92a of this Regulation on a consolidated basis, to the extent and in the manner set out in Article 18 of this Regulation.'.

(3) On page 21, new Article 12a, second and third paragraphs:

for: 'Where the amount calculated in accordance with the first paragraph of this Article is lower than the sum of the amounts of own funds and eligible liabilities referred to in point (a) of Article 92a(1) of this Regulation of all resolution entities belonging to that G-SII, the resolution authorities shall act in accordance with Articles 45d(3) and 45h(2) of Directive 2014/59/EU.

Where the amount calculated in accordance with the first paragraph of this Article is higher than the sum of the amounts of own funds and eligible liabilities referred to in point (a) of Article 92a(1) of this Regulation of all resolution entities belonging to that G-SII, the resolution authorities may act in accordance with Articles 45d(3) and 45h(2) of Directive 2014/59/EU.',

read: 'Where the amount calculated in accordance with the first paragraph of this Article is lower than the sum of the amounts of own funds and eligible liabilities referred to in point (a) of Article 92a(1) of this Regulation of all resolution entities belonging to that G-SII, the resolution authorities shall act in accordance with Articles 45d(4) and 45h(2) of Directive 2014/59/EU.

Where the amount calculated in accordance with the first paragraph of this Article is higher than the sum of the amounts of own funds and eligible liabilities referred to in point (a) of Article 92a(1) of this Regulation of all resolution entities belonging to that G-SII, the resolution authorities may act in accordance with Articles 45d(4) and 45h(2) of Directive 2014/59/EU.'.

(4) On page 21, replaced Article 13, paragraph 2:

for:

'2. Institutions identified as resolution entities that are G-SIIs or that are part of a G-SII shall comply with Article 437a and point (h) of Article 447 on the basis of the consolidated situation of their resolution group.',

read:

'2. Institutions identified as resolution entities that are G-SII entities shall comply with Article 437a and point (h) of Article 447 on the basis of the consolidated situation of their resolution group.'.

(5) On page 23, replaced Article 22:

for:

'Article 22

Sub-consolidation in case of entities in third countries

1. Subsidiary institutions shall apply the requirements laid down in Articles 89, 90 and 91 and Parts Three, Four and Seven and the associated reporting requirements laid down in Part Seven A on the basis of their sub-consolidated situation if those institutions have an institution or a financial institution as a subsidiary in a third country, or hold a participation in such an undertaking.

2. By way of derogation from paragraph 1 of this Article, subsidiary institutions may choose not to apply the requirements laid down in Articles 89, 90 and 91 and Parts Three, Four and Seven and the associated reporting requirements laid down in Part Seven A on the basis of their sub-consolidated situation where the total assets and off-balance-sheet items of their subsidiaries and participations in third countries are less than 10 % of the total amount of the assets and off-balance-sheet items of the subsidiary institution.',

read:

'Article 22

Sub-consolidation in case of entities in third countries

1. Subsidiary institutions shall apply the requirements laid down in Articles 89, 90 and 91 and Parts Three, Four and Seven and the associated reporting requirements laid down in Part Seven A on the basis of their sub-consolidated situation if those institutions, or their parent undertaking where the parent undertaking is a financial holding company or mixed financial holding company, have an institution or a financial institution as a subsidiary in a third country, or hold a participation in such an undertaking.

2. By way of derogation from paragraph 1 of this Article, subsidiary institutions may choose not to apply the requirements laid down in Articles 89, 90 and 91 and Parts Three, Four and Seven and the associated reporting requirements laid down in Part Seven A on the basis of their sub-consolidated situation where the total assets and off-balance-sheet items of the subsidiaries and participations in third countries are less than 10 % of the total amount of the assets and off-balance-sheet items of the subsidiary institution.'.

(6) On page 34, new Article 72e, paragraph 4, first subparagraph, definitions:

for:

'LP_i = the amount of eligible liabilities items issued by subsidiary i and held by the parent institution;

β = percentage of own funds instruments and eligible liabilities items issued by subsidiary i and held by the parent undertaking;

O_i = the amount of own funds of subsidiary i, not taking into account the deduction calculated in accordance with this paragraph;

L_i = the amount of eligible liabilities of subsidiary i, not taking into account the deduction calculated in accordance with this paragraph;

r_i = the ratio applicable to subsidiary i at the level of its resolution group in accordance with point (a) of Article 92a(1) of this Regulation and Article 45d of Directive 2014/59/EU; and',

read:

'LP_i = the amount of eligible liabilities instruments issued by subsidiary i and held by the parent institution;

β = percentage of own funds instruments and eligible liabilities instruments issued by subsidiary i and held by the parent undertaking, calculated as:

$$\beta = \frac{(OP_i + LP_i)}{\text{the amount of all own funds instruments and eligible liabilities instruments issued by subsidiary i}};$$

O_i = the amount of own funds of subsidiary i, not taking into account the deduction calculated in accordance with this paragraph;

L_i = the amount of eligible liabilities of subsidiary i, not taking into account the deduction calculated in accordance with this paragraph;

r_i = the ratio applicable to subsidiary i at the level of its resolution group in accordance with point (a) of Article 92a(1) of this Regulation and point (a) of the first subparagraph of Article 45c(3) of Directive 2014/59/EU; and'.

(7) On page 37, Article 1, point (35):

for: '(35) in Article 76, paragraphs 1, 2 and 3 are replaced by the following:

'1. For the purposes of point (a) of Article 42, point (a) of Article 45, point (a) of Article 57, point (a) of Article 59, point (a) of Article 67, point (a) of Article 69 and point (a) of Article 72h, institutions may reduce the amount of a long position in a capital instrument by the portion of an index that is made up of the same underlying exposure that is being hedged, provided that all the following conditions are met:

(…)

2. Where the competent authority has granted its prior permission, an institution may use a conservative estimate of the underlying exposure of the institution to instruments included in indices as an alternative to an institution calculating its exposure to the items referred to in one or more of the following points:

(…)','

read: '(35) in Article 76, the title and paragraphs 1, 2 and 3 are replaced by the following:

'Article 76

Index holdings of capital instruments and of liabilities

1. For the purposes of point (a) of Article 42, point (a) of Article 45, point (a) of Article 57, point (a) of Article 59, point (a) of Article 67, point (a) of Article 69, point (a) of Article 72f and point (a) of Article 72h, institutions may reduce the amount of a long position in a capital instrument or in a liability by the portion of an index that is made up of the same underlying exposure that is being hedged, provided that all the following conditions are met:

(…)

2. Where the competent authority has granted its prior permission, an institution may use a conservative estimate of the underlying exposure of the institution to capital instruments or to liabilities included in indices as an alternative to an institution calculating its exposure to the items referred to in one or more of the following points:

(…)'.'

(8) On page 38, replaced Article 78, paragraph 1, second subparagraph, fourth sentence:

for: 'In the case of Common Equity Tier 1 instruments, that predetermined amount shall not exceed 3 % of the relevant issue and shall not exceed 10 % of the amount by which Common Equity Tier 1 capital exceeds the sum of the Common Equity Tier 1 capital requirements laid down in this Regulation, in Directives 2013/36/EU and 2014/59/EU by a margin that the competent authority considers necessary.',

read: 'In the case of Common Equity Tier 1 instruments, that predetermined amount shall not exceed 3 % of the relevant issue and shall not exceed 10 % of the amount by which Common Equity Tier 1 capital exceeds the sum of the Common Equity Tier 1 capital requirements laid down in this Regulation, in Directives 2013/36/EU and 2014/59/EU and a margin that the competent authority considers necessary.'.

(9) On page 42, replaced Article 82:

for: '"*Article 82*

Qualifying Additional Tier 1, Tier 1, Tier 2 capital and qualifying own funds

Qualifying Additional Tier 1, Tier 1, Tier 2 capital and qualifying own funds shall comprise the minority interest, Additional Tier 1 or Tier 2 instruments, as applicable, plus the related retained earnings and share premium accounts, of a subsidiary where the following conditions are met:

(…)

(c) those instruments are owned by persons other than the undertakings included in the consolidation pursuant to Chapter 2 of Title II of Part One.";',

read: ' "*Article 82*

Qualifying Additional Tier 1, Tier 1, Tier 2 capital and qualifying own funds

Qualifying Additional Tier 1, Tier 1, Tier 2 capital and qualifying own funds shall comprise the minority interest, Additional Tier 1 or Tier 2 instruments, as applicable, plus the related share premium accounts, of a subsidiary where the following conditions are met:

(…)

(c) the Common Equity Tier 1 items, Additional Tier 1 items and Tier 2 items referred to in the introductory part of this paragraph, are owned by persons other than the undertakings included in the consolidation pursuant to Chapter 2 of Title II of Part One.";'.

(10) On page 43, Article 92, new paragraph 1a, first subparagraph:

for: '1a. In addition to the requirement laid down in point (d) paragraph 1 of this Article, a G-SII shall maintain a leverage ratio buffer equal to the G-SIIs total exposure measure referred to in Article 429(4) of this Regulation multiplied by 50 % of the G-SII buffer rate applicable to the G-SII in accordance with Article 131 of Directive 2013/36/EU.',

read: '1a. In addition to the requirement laid down in point (d) of paragraph 1 of this Article, a G-SII shall maintain a leverage ratio buffer equal to the G-SIIs total exposure measure referred to in Article 429(4) of this Regulation multiplied by 50 % of the G-SII buffer rate applicable to the G-SII in accordance with Article 131 of Directive 2013/36/EU.'.

(11) On page 43, new Article 92a, paragraph 1, introductory part:

for: '1. Subject to Articles 93 and 94 and to the exceptions set out in paragraph 2 of this Article, institutions identified as resolution entities and that are a G-SII or part of a G-SII shall at all times satisfy the following requirements for own funds and eligible liabilities:',

read: '1. Subject to Articles 93 and 94 and to the exceptions set out in paragraph 2 of this Article, institutions identified as resolution entities and that are G-SII entities shall at all times satisfy the following requirements for own funds and eligible liabilities:'.

(12) On page 44, new Article 92a, paragraph 3:

for: '3. Where the aggregate resulting from the application of the requirement laid down in point (a) of paragraph 1 of this Article to each resolution entity of the same G SII exceeds the requirement for own funds and eligible liabilities calculated in accordance with Article 12a of this Regulation, the resolution authority of the EU parent institution may, after having consulted the other relevant resolution authorities, act in accordance with Article 45d(4) or 45h(1) of Directive 2014/59/EU.',

read: '3. Where the aggregate resulting from the application of the requirement laid down in point (a) of paragraph 1 of this Article to each resolution entity of the same G-SII exceeds the requirement for own funds and eligible liabilities calculated in accordance with Article 12a of this Regulation, the resolution authority of the EU parent institution may, after having consulted the other relevant resolution authorities, act in accordance with Article 45d(4) or 45h(2) of Directive 2014/59/EU.'.

(13) On page 68, new Article 279a, paragraph 1, point (a), definitions:

for:

'T = the expiry date of the option; for options which can be exercised at one future date only, the expiry date is equal to that date; for options which can be exercised at multiple future dates, the expiry date is equal to the latest of those dates; the expiry date shall be expressed in years using the relevant business day convention; and',

read:

'T = the period between the expiry date of the option (T_{exp}) and the reporting date; for options which can be exercised at one future date only, T_{exp} is equal to that date; for options which can be exercised at multiple future dates, T_{exp} is equal to the latest of those dates; T shall be expressed in years using the relevant business day convention; and'.

(14) On page 70, new Article 279b, paragraph 1, point (a), the formula:

for: '

$$\text{supervisory duration factor} = \frac{\exp(-R \cdot S) - \exp(-R \cdot E)}{R}$$

where:

R = the supervisory discount rate; R = 5 %;

S = the period between the start date of a transaction and the reporting date, which shall be expressed in years using the relevant business day convention; and

E = the period between the end date of a transaction and the reporting date, which shall be expressed in years using the relevant business day convention.',

read: ‘

$$\text{supervisory duration factor} = \max\left\{\frac{\exp(-R \cdot S) - \exp(-R \cdot E)}{R}; 10/\text{OneBusinessYear}\right\}$$

where:

R = the supervisory discount rate; R = 5 %;

S = the period between the start date of a transaction and the reporting date, which shall be expressed in years using the relevant business day convention;

E = the period between the end date of a transaction and the reporting date, which shall be expressed in years using the relevant business day convention; and OneBusinessYear = one year expressed in business days using the relevant business day convention.’.

(15) On page 73, new Article 280a, paragraph 3, the formula:

for: ‘

$$\text{EffNot}_j^{IR} = \sqrt{\left[(D_{j,1})^2 + (D_{j,2})^2 + 1{,}4 \cdot D_{j,1} \cdot D_{j,2} + 1{,}4 \cdot D_{j,2} \cdot D_{j,3} + 0{,}6 \cdot D_{j,1} \cdot D_{j,3}\right]}$$

’,

read: ‘

$$\text{EffNot}_j^{IR} = \sqrt{\left[(D_{j,1})^2 + (D_{j,2})^2 + (D_{j,3})^2 + 1{,}4 \cdot D_{j,1} \cdot D_{j,2} + 1{,}4 \cdot D_{j,2} \cdot D_{j,3} + 0{,}6 \cdot D_{j,1} \cdot D_{j,3}\right]}$$

’.

(16) On page 75, new Article 280c, paragraph 3, the formula:

for: ‘

$$\text{AddOn}_j^{\text{Credit}} = \epsilon_j \sqrt{\left(\sum_k \rho_k^{\text{Credit}} \cdot \text{AddOn}(\text{Entity}_k)\right)^2 + \sum_k 1 - \left(\rho_k^{\text{Credit}}\right)^2) \cdot \left(\text{AddOn}(\text{Entity}_k)\right)^2}$$

’,

read: ‘

$$\text{AddOn}_j^{\text{Credit}} = \epsilon_j \sqrt{\left(\sum_k \rho_k^{\text{Credit}} \cdot \text{AddOn}(\text{Entity}_k)\right)^2 + \sum_k \left(1 - \left(\rho_k^{\text{Credit}}\right)^2\right) \cdot \left(\text{AddOn}(\text{Entity}_k)\right)^2}$$

’.

(17) On page 77, new Article 280d, paragraph 3, the formula:

for: ‘

$$\mathrm{AddOn}_j^{\mathrm{Equity}} = \epsilon_j \sqrt{\left(\sum_k \rho_k^{\mathrm{Equity}} \cdot \mathrm{AddOn}(\mathrm{Entity}_k)\right)^2 + \sum_k 1 - \left(\rho_k^{\mathrm{Equity}}\right)^2) \cdot \left(\mathrm{AddOn}(\mathrm{Entity}_k)\right)^2}$$

’,

read: ‘

$$\mathrm{AddOn}_j^{\mathrm{Equity}} = \epsilon_j \sqrt{\left(\sum_k \rho_k^{\mathrm{Equity}} \cdot \mathrm{AddOn}(\mathrm{Entity}_k)\right)^2 + \sum_k \left(1 - \left(\rho_k^{\mathrm{Equity}}\right)^2\right) \cdot \left(\mathrm{AddOn}(\mathrm{Entity}_k)\right)^2}$$

’.

(18) On page 77, new Article 280d, paragraph 4, the formula:

for: ‘

$$\mathrm{AddOn}(\mathrm{Entity}_k) = \mathrm{SK}_k^{\mathrm{Equity}} \cdot \mathrm{EffNot}_k^{\mathrm{Equity}}$$

’,

read: ‘

$$\mathrm{AddOn}(\mathrm{Entity}_k) = \mathrm{SF}_k^{\mathrm{Equity}} \cdot \mathrm{EffNot}_k^{\mathrm{Equity}}$$

’.

(19) On page 78, new Article 280e, paragraph 1, the formula:

for: ‘

$$\mathrm{AddOn}^{\mathrm{Com}} = \sum_i \mathrm{AddOn}_j^{\mathrm{Com}}$$

’,

read: ‘

$$\mathrm{AddOn}^{\mathrm{Com}} = \sum_j \mathrm{AddOn}_j^{\mathrm{Com}}$$

’.

(20) On page 78, new Article 280e, paragraph 4, the formula:

for: ‘

$$\mathrm{AddOn}_j^{\mathrm{Com}} = \epsilon_j \sqrt{\left(\rho^{\mathrm{Com}} \cdot \sum_k \mathrm{AddOn}\left(\mathrm{Type}_k^j\right)\right)^2 + \left(1 - (\rho^{\mathrm{Com}})^2\right) \cdot \sum_k \mathrm{AddOn}\left(\mathrm{Type}_k^j\right)^2}$$

’,

read: ‘

$$\mathrm{AddOn}_j^{\mathrm{Com}} = \epsilon_j \sqrt{\left(\rho^{\mathrm{Com}} \cdot \sum_k \mathrm{AddOn}\left(\mathrm{Type}_k^j\right)\right)^2 + \left(1 - (\rho^{\mathrm{Com}})^2\right) \cdot \sum_k \left(\mathrm{AddOn}\left(\mathrm{Type}_k^j\right)\right)^2}$$

’.

(21) On page 78, new Article 280e, paragraph 5, definitions:

for:

$\mathrm{SF}_k^{\mathrm{Com}}$ = the supervisory factor applicable to the commodity reference type k;

where the commodity reference type k corresponds to transactions allocated to the hedging set referred to in point (e)(i) of Article 277a(1), excluding transactions concerning electricity, $\mathrm{SF}_k^{\mathrm{Com}} = 18\ \%$; for transactions concerning electricity, $\mathrm{SF}_k^{\mathrm{Com}} = 40\ \%$;’,

read:

$\mathrm{SF}_k^{\mathrm{Com}}$ = the supervisory factor applicable to the commodity reference type k;

where the commodity reference type k corresponds to transactions allocated to the hedging set referred to in point (e) of Article 277a(1), excluding transactions concerning electricity, $\mathrm{SF}_k^{\mathrm{Com}} = 18\ \%$; for transactions concerning electricity, $\mathrm{SF}_k^{\mathrm{Com}} = 40\ \%$;’.

(22) On page 89, new Article 325a, paragraph 2, point (c):

for: ‘(c) all positions shall be valued at their market values on that date, except for positions referred to in point (b); where the market value of a position is not available on a given date, institutions shall take a fair value for the position on that date; where the fair value and market value of a position are not available on a given date, institutions shall take the most recent market value or fair value for that position;’,

read: ‘(c) all positions shall be valued at their market values on that date, except for positions referred to in point (b); where the market value of a trading book position is not available on a given date, institutions shall take a fair value for the trading book position on that date; where the fair value and market value of a trading book position are not available on a given date, institutions shall take the most recent market value or fair value for that position;’.

(23) On page 93, new Article 325f, paragraph 8, definitions:

for: '$S_b = \sum_k WS_k$ for all risk factors in bucket b and $S_c = \sum_k WS_k$ in bucket c; where those values for S_b and S_c produce a negative number for the overall sum of $\sum_b K_b^2 + \sum_b \sum_c \neq b\gamma_{bc} S_b S_c$, the institution shall calculate the risk-class specific own funds requirements for delta or vega risk using an alternative specification whereby',

read: '$S_b = \sum_k WS_k$ for all risk factors in bucket b and $S_c = \sum_k WS_k$ in bucket c; where those values for S_b and S_c produce a negative number for the overall sum of $\sum_b K_b^2 + \sum_b \sum_{c \neq b} \gamma_{bc} S_b S_c$, the institution shall calculate the risk-class specific own funds requirements for delta or vega risk using an alternative specification whereby'.

(24) On page 100, new Article 325r, paragraph 4, definitions:

for:

'V_i (.) = the market value of instrument i as a function of risk factor k; and',

read:

'V_i (.) = the pricing function of instrument i; and'.

(25) On page 100, new Article 325r, paragraph 5, definitions:

for:

'V_i (.) = the market value of instrument i as a function of risk factor k; and',

read:

'V_i (.) = the pricing function of instrument i; and'.

(26) On page 101, new Article 325s, paragraph 1, the formula:

for: '

$$S_k = \frac{V_i(1{,}01 + vol_k, x, y) - V_i(vol_k, x, y)}{0{,}01}$$

',

read: '

$$S_k = \frac{V_i(0{,}01 + vol_k, x, y) - V_i(vol_k, x, y)}{0{,}01}$$

'.

(27) On page 104, new Article 325w, paragraph 1, definitions:

for:

'$V_{notional}$ =	the notional amount of the instrument;
$P\&L_{long}$ =	a term which adjusts for gains or losses already accounted for by the institution due to changes in the fair value of the instrument creating the long exposure; gains shall enter the formula with a positive sign and losses with a negative; and
$Adjustment_{long}$ =	the amount by which, due to the structure of the derivative instrument, the institution's loss in the event of default would be increased or reduced relative to the full loss on the underlying instrument; increases shall enter the $Adjustment_{long}$ term with a positive sign and decreases with a negative sign.',

read:

'$V_{notional}$ =	the notional amount of the instrument from which the exposure arises;
$P\&L_{long}$ =	a term which adjusts for gains or losses already accounted for by the institution due to changes in the fair value of the instrument creating the long exposure; gains shall enter into the formula with a positive sign and losses shall enter into the formula with a negative sign; and
$Adjustment_{long}$ =	where the instrument from which the exposure arises is a derivative instrument, the amount by which, due to the structure of the derivative instrument, the institution's loss in the event of default would be increased or reduced relative to the full loss on the underlying instrument; increases shall enter into the formula with a positive sign and decreases shall enter into the formula with a negative sign.'.

(28) On page 104, new Article 325w, paragraph 2, definitions:

for:

'$V_{notional}$ =	the notional amount of the instrument that shall enter into the formula with a negative sign;
	(…)
$Adjustment_{short}$ =	the amount by which, due to the structure of the derivative instrument, the institution's gain in the event of default would be increased or reduced relative to the full loss on the underlying instrument; decreases shall enter the $Adjustment_{short}$ term with a positive sign and increases shall enter the $Adjustment_{short}$ term with a negative sign.',

read:

' $V_{notional}$ =	the notional amount of the instrument from which the exposure arises that shall enter into the formula with a negative sign;
	(…)
$Adjustment_{short}$ =	where the instrument from which the exposure arises is a derivative instrument, the amount by which, due to the structure of the derivative instrument, the institution's gain in the event of default would be increased or reduced relative to the full loss on the underlying instrument; decreases shall enter into the formula with a positive sign and increases shall enter into the formula with a negative sign.'.

(29) On page 104, new Article 325w, paragraph 4:

for: '4. For the purposes of the calculations set out in paragraphs 1 and 2, notional amounts shall be determined as follows:

(a) in the case of debt instruments, the notional amount is the face value of the debt instrument;

(b) in the case of derivative instruments with debt security underlyings, the notional amount is the notional amount of the derivative instrument.',

read: '4. For the purposes of the calculations set out in paragraphs 1 and 2, notional amounts shall be determined as follows:

(a) in the case of a bond, the notional amount is the face value of the bond;

(b) in the case of a sold put option on a bond, the notional amount is the notional amount of the option; in the case of a bought call option on a bond, the notional amount is 0.'.

(30) On page 104, new Article 325w, paragraph 5:

for: '5. For exposures to equity instruments, institutions shall calculate the gross JTD amounts as follows, instead of using the formulas referred to in paragraphs 1 and 2:

$JTD_{long} = \max \{LGD \cdot V + P\&L_{long} + Adjustment_{long}; 0\}$

$JTD_{short} = \min \{LGD \cdot V + P\&L_{short} + Adjustment_{short}; 0\}$

where:

JTD_{long} = the gross JTD amount for the long exposure;

JTD_{short} = the gross JTD amount for the short exposure; and

V = the fair value of the equity or, in the case of derivative instruments with equity underlyings, the fair value of the equity underlying.',

read: '5. For exposures to equity instruments, institutions shall calculate the gross JTD amounts as follows:

$JTD_{long} = \max \{LGD \cdot V_{notional} + P\&L_{long} + Adjustment_{long}; 0\}$

$JTD_{short} = \min \{LGD \cdot V_{notional} + P\&L_{short} + Adjustment_{short}; 0\}$

where:

JTD_{long} = the gross JTD amount for the long exposure;

$V_{notional}$ = the notional amount of the instrument from which the exposure arises; the notional amount is the fair value of the equity for cash equity instruments; for the JTD_{short} formula, the notional amount of the instrument shall enter into the formula with a negative sign;

$P\&L_{long}$ = a term which adjusts for gains or losses already accounted for by the institution due to changes in the fair value of the instrument creating the long exposure; gains shall enter into the formula with a positive sign and losses shall enter into the formula with a negative sign;

$Adjustment_{long}$ = the amount by which, due to the structure of the derivative instrument, the institution's loss in the event of default would be increased or reduced relative to the full loss on the underlying instrument; increases shall enter into the formula with a positive sign and decreases shall enter into the formula with a negative sign;

JTD_{short} = the gross JTD amount for the short exposure;

$P\&L_{short}$ = a term which adjusts for gains or losses already accounted for by the institution due to changes in the fair value of the instrument creating the short exposure; gains shall enter into the formula with a positive sign and losses shall enter into the formula with a negative sign; and

$Adjustment_{short}$ = the amount by which, due to the structure of the derivative instrument, the institution's gain in the event of default would be increased or reduced relative to the full loss on the underlying instrument; decreases shall enter into the formula with a positive sign and increases shall enter into the formula with a negative sign.'.

(31) On page 105, new Article 325w, paragraph 8, first subparagraph, point (a):

for: '(a) how institutions are to calculate JTD amounts for different types of instruments in accordance with this Article;',

read: '(a) how institutions are to determine the components $P\&L_{long}$, $P\&L_{short}$, $Adjustment_{long}$ and $Adjustment_{short}$ when calculating the JTD amounts for different types of instruments in accordance with this Article;'.

(32) On page 109, new Article 325ad, paragraph 4, the formula:

for: '

$$DRC_{ACTP}=\max\left\{\sum_{b}\max[DRC_b,0]+0{,}5\cdot(\min[DRC_b,00]);0\right\}$$

',

read: '

$$DRC_{ACTP}=\max\left\{\sum_{b}(\max\{DRC_b,0\}+0{,}5\cdot\min\{DRC_b,0\});0\right\}$$

'.

(33) On page 115, Article 325an, paragraph 1, definitions:

for: '$\rho_{kl}^{(thranche)}$ shall be equal to 1 where …',

read: '$\rho_{kl}^{(tranche)}$ shall be equal to 1 where …'.

(34) On page 121, Article 325ay, paragraph 1, introductory part:

for: '1. Between vega risk sensitivities within the same bucket of the general interest rate risk (GIRR) class, the correlation parameter r_{kl} shall be set as follows:',

read: '1. Between vega risk sensitivities within the same bucket of the general interest rate risk (GIRR) class, the correlation parameter ρ_{kl} shall be set as follows:'.

(35) On page 124, new Article 325bb, paragraph 1, introductory part:

for: '1. Institutions shall calculate the expected shortfall risk measure referred to in point (a) of Article 325ba(1) for any given date 't' and for any given portfolio of trading book positions as follows:',

read: '1. Institutions shall calculate the expected shortfall risk measure referred to in point (a) of Article 325ba(1) for any given date 't' and for any given portfolio of trading book positions and non-trading book positions that are subject to foreign exchange or commodity risk as follows:'.

(36) On page 125, new Article 325bc, paragraph 1, point (c), introductory part:

for: '(c) for a given portfolio of trading book positions, institution shall calculate the partial expected shortfall measure at time 't' accordance with the following formula:

$$\mathrm{PES}_t = \sqrt{\left(\mathrm{PES}_t(T)\right)^2 + \sum_{j\geq 2}\left(\mathrm{PES}_t(T,j)\cdot\sqrt{\frac{\left(\mathrm{LH}_j - \mathrm{LH}_{j-1}\right)}{10}}\right)},$$

read: '(c) for a given portfolio of trading book positions and non-trading book positions that are subject to foreign exchange or commodity risk, institutions shall calculate the partial expected shortfall measure at time 't' in accordance with the following formula:

$$\mathrm{PES}_t = \sqrt{\left(\mathrm{PES}_t(T)\right)^2 + \sum_{j\geq 2}\left(\mathrm{PES}_t(T,j)\cdot\sqrt{\frac{\left(\mathrm{LH}_j - \mathrm{LH}_{j-1}\right)}{10}}\right)^2},$$

(37) On page 127, new Article 325bd, paragraph 4, introductory part:

for: '4. For the purpose of calculating the partial expected shortfall measures in accordance with point (c) of Article 325bc(1), the effective liquidity horizon of a given modellable risk factor of a given trading book position shall be calculated as follows:',

read: '4. For the purpose of calculating the partial expected shortfall measures in accordance with point (c) of Article 325bc(1), the effective liquidity horizon of a given modellable risk factor of a given trading book position or a non-trading book position that is subject to foreign exchange or commodity risk shall be calculated as follows:'.

(38) On page 148, replaced Article 411, point (4):

for: '(4) "deposit broker" means a natural person or an undertaking that places deposits from third parties, including retail deposits and corporate deposits but excluding deposits from financial institutions, with credit institutions in exchange of a fee;',

read: '(4) "deposit broker" means a natural person or an undertaking that places deposits from third parties, including retail deposits and corporate deposits but excluding deposits from financial customers, with credit institutions in exchange of a fee;'.

(39) On page 158, new Article 428k, paragraph 3, introductory part:

for: '3. The following liabilities shall be subject to a 0 % available stable funding factor:',

read: '3. The following liabilities and capital items or instruments shall be subject to a 0 % available stable funding factor:'.

(40) On page 159, new Article 428l, introductory part:

for: 'The following liabilities shall be subject to a 50 % available stable funding factor:',

read: 'The following liabilities and capital items or instruments shall be subject to a 50 % available stable funding factor:'.

(41) On page 159, new Article 428l, point (d):

for: '(d) any other liabilities with a residual maturity of a minimum of six months but less than one year not referred to in Articles 428m, 428n and 428o.',

read: '(d) any other liabilities and capital items or instruments with a residual maturity of a minimum of six months but less than one year not referred to in Articles 428m, 428n and 428o.'.

(42) On page 169, new Article 428al, paragraph 3, introductory part:

for: '3. The following liabilities shall be subject to a 0 % available stable funding factor:',

read: '3. The following liabilities, and capital items or instruments shall be subject to a 0 % available stable funding factor:'.

(43) On page 169, new Article 428am, introductory part:

for: 'The following liabilities shall be subject to a 50 % available stable funding factor:',

read: 'The following liabilities and capital items or instruments shall be subject to a 50 % available stable funding factor:'.

(44) On page 169, new Article 428am, point (b):

for: '(b) liabilities with a residual maturity of less than one year provided by:',

read: '(b) liabilities and capital items or instruments with a residual maturity of less than one year provided by:'.

(45) On page 175, replaced Article 429, paragraph 5, first subparagraph, point (a):

for: '(a) a derivative instrument that is considered an off-balance-sheet item in accordance with point (d) of paragraph 4 but is treated as a derivative in accordance with the applicable accounting framework, shall be subject to the treatment set out in that point;',

read: '(a) an off-balance-sheet item in accordance with point (d) of paragraph 4 that is treated as a derivative in accordance with the applicable accounting framework shall be subject to the treatment set out in point (b) of that paragraph;'.

(46) On page 176, new Article 429a, paragraph 1, first subparagraph, point (d):

for: '(d) where the institution is a public development credit institution, the exposures arising from assets that constitute claims on central governments, regional governments, local authorities or public sector entities in relation to public sector investments and promotional loans;',

read: '(d) where the institution is a public development credit institution, the exposures arising from assets that constitute claims on central governments, regional governments, local authorities or public sector entities in relation to public sector investments, and promotional loans;'.

(47) On page 178, new Article 429a, paragraph 2, third subparagraph:

for: 'For the purposes of points (d) and (e) of the first subparagraph, and without prejudice to the Union State aid rules and (…)',

read: 'For the purposes of points (d) and (e) of paragraph 1, and without prejudice to the Union State aid rules and (…)'.

(48) On page 209, new Article 461a, first paragraph:

for: 'For the purposes of the reporting requirements set out in Article 430b(1), the Commission is empowered to adopt delegated acts in accordance with Article 462, to amend this Regulation by making technical adjustments to Articles 325e, 325g to 325j, 325p, 325q, 325ae, 325ak, 325am, 325ap to 325at, 325av, 325ax, and specify (…)',

read: 'For the purposes of the reporting requirements set out in Article 430b(1), the Commission is empowered to adopt delegated acts in accordance with Article 462, to amend this Regulation by making technical adjustments to Articles 325e, 325g to 325j, 325p, 325q, 325ae, 325ai, 325ak, 325am, 325ap to 325at, 325av, 325ax, and specify (…)'.

(49) On page 209, replaced Article 462:

for: '(…)

2. The power to adopt delegated acts referred to in Articles 244(6) and 245(6), in Articles 456 to 460 and in Article 461a shall be conferred on the Commission for an indeterminate period of time from 28 June 2013.

3. The delegation of power referred to in Articles 244(6) and 245(6), in Articles 456 to 460 and in Article 461a may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of the delegated acts already in force.

(…)

6. A delegated act adopted pursuant to Articles 244(6) and 245(6), Articles 456 to 460 and in Article 461a shall enter into force (…)',

read: '(…)

2. The power to adopt delegated acts referred to in Articles 244(6) and 245(6), in Articles 456, 457, 459, 460 and 461a shall be conferred on the Commission for an indeterminate period of time from 28 June 2013.

3. The delegation of power referred to in Articles 244(6) and 245(6), in Articles 456, 457, 459, 460 and 461a may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of the delegated acts already in force.

(…)

6. A delegated act adopted pursuant to Articles 244(6) and 245(6), Articles 456, 457, 459, 460 and 461a shall enter into force (…)'.

(50) On page 210, replaced Article 494, paragraph 1, introductory part:

for: '1. By way of derogation from Article 92a, as from 27 June 2019 until 31 December 2021, institutions identified as resolution entities that are G-SIIs or part of a G-SII shall at all times satisfy the following requirements for own funds and eligible liabilities:',

read: '1. By way of derogation from Article 92a, as from 27 June 2019 until 31 December 2021, institutions identified as resolution entities that are G-SII entities shall at all times satisfy the following requirements for own funds and eligible liabilities:'.

(51) On page 211, new Article 494a, paragraph 2, point (a):

for: '(a) the conditions set out in Article 63(1), except for the condition requiring that the instruments are directly issued by the institution;',

read: '(a) the conditions set out in Article 63, except for the condition requiring that the instruments are directly issued by the institution;'.

(52) On page 211, new Article 494b, paragraph 3:

for: '3. By way of derogation from point (a) of Article 72a(1), liabilities issued prior to 27 June 2019 shall qualify as eligible liabilities items where they meet (…)',

read: '3. By way of derogation from point (a) of Article 72a(1), liabilities issued prior to 27 June 2019 shall qualify as eligible liabilities instruments where they meet (…)'.

(53) On page 213, replaced Article 500, paragraph 1, first subparagraph, point (c):

for: '(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan referred to in point (a) has surpassed 20 % of the cumulative amount of all observed defaults as of the date of the first disposal referred to in points (a) and (b).',

read: '(c) the cumulative amount of defaulted exposures disposed of since the date of the first disposal in accordance with the plan referred to in point (a) has surpassed 20 % of the outstanding amount of all defaulted exposures as of the date of the first disposal referred to in points (a) and (b).'.

(54) On page 213, replaced Article 501, paragraph 1, definitions:

for:

'E* = the total amount owed to the institution, its subsidiaries, its parent undertakings and other subsidiaries of those parent undertakings, including any exposure in default, but excluding claims or contingent claims secured on residential property collateral, by the SME or the group of connected clients of the SME.',

read: 'E* is either of the following:

(a) the total amount owed to the institution, its subsidiaries, its parent undertakings and other subsidiaries of those parent undertakings, including any exposure in default, but excluding claims or contingent claims secured on residential property collateral, by the SME or the group of connected clients of the SME;

(b) where the total amount referred to in point (a) is equal to 0, the amount of claims or contingent claims against the SME or the group of connected clients of the SME that are secured on residential property collateral and that are excluded from the calculation of the total amount referred to in that point.'.

(55) On page 218, Article 510, new paragraph 8:

for: '8. By 28 June 2025, the required stable funding factors applied to the transactions referred to in point (g) of Article 428r(1), point (c) of Article 428s(1) and in point (b) of Article 428v, shall be raised (…)',

read: '8. By 28 June 2025, the required stable funding factors applied to the transactions referred to in point (g) of Article 428r(1), point (b) of Article 428s(1) and in point (a) of Article 428v, shall be raised (…)'.

Corrigendum to Commission Implementing Regulation (EU) 2021/955 of 27 May 2021 laying down implementing technical standards for the application of Regulation (EU) 2019/1156 of the European Parliament and of the Council with regard to the forms, templates, procedures and technical arrangements for the publications and notifications of marketing rules, fees and charges, and specifying the information to be communicated for the creation and maintenance of the central database on cross-border marketing of AIFs and UCITS, as well as the forms, templates and procedures for the communication of such information

(Official Journal of the European Union L 211 of 15 June 2021)

On page 31, Article 1:

for: *'Article 1*

Publication of national provisions concerning marketing requirements

1. Competent authorities shall publish on their website the information referred to in Article 5(1) of Regulation (EU) 2019/1156, using the template set out in Annex I to this Regulation.

2. The information referred to in the first subparagraph shall be published by competent authorities, either in full on a single dedicated webpage of their websites, or on separate webpages, setting out respectively the information referred to in this paragraph for alternative investment funds (AIFs) and for undertakings for collective investment in transferable securities (UCITS).

3. Competent authorities shall publish summaries of the information referred to in paragraph 1 in a clear, concise and easily comprehensible manner, using the templates set out in Annex II to this Regulation. Those summaries shall be published on the same webpage as the information referred to in paragraph 1, either at the top or at the bottom of that webpage.'

read: *'Article 1*

Publication of national provisions concerning marketing requirements

1. Competent authorities shall publish on their website the information referred to in Article 5(1) of Regulation (EU) 2019/1156, using the template set out in Annex I to this Regulation.

The information referred to in the first subparagraph shall be published by competent authorities, either in full on a single dedicated webpage of their websites, or on separate webpages, setting out respectively the information referred to in this paragraph for alternative investment funds (AIFs) and for undertakings for collective investment in transferable securities (UCITS).

2. Competent authorities shall publish summaries of the information referred to in paragraph 1 in a clear, concise and easily comprehensible manner, using the templates set out in Annex II to this Regulation. Those summaries shall be published on the same webpage as the information referred to in paragraph 1, either at the top or at the bottom of that webpage.'.

On page 35, in Annex I, third disclaimer:

for: '**Disclaimer**: The following is a non-exhaustive list of national laws that could be applicable and [Name of the competent authority] is not liable for any omission in that list. Supervision of the requirements deriving from these laws is not under the supervision of [Name of the competent authority]. The applicability of these requirements, and any other legal requirements, should be assessed before marketing or investing in [a UCITS/an AIF/a UCITS or an AIF]. Where uncertainty exists, those marketing or investing in UCITS or AIFs should obtain independent advice as to the applicable requirements to their individual situation.'

read: '**Disclaimer**: The list in this template is a non-exhaustive list of national laws that could be applicable and [Name of the competent authority] is not liable for any omission in that list. Supervision of the requirements deriving from these laws is not under the supervision of [Name of the competent authority]. The applicability of these requirements, and any other legal requirements, should be assessed before marketing or investing in [a UCITS/an AIF/a UCITS or an AIF]. Where uncertainty exists, those marketing or investing in UCITS or AIFs should obtain independent advice as to the applicable requirements to their individual situation.'

Corrigendum to Commission Regulation (EU) 2021/1372 of 17 August 2021 amending Annex IV to Regulation (EC) No 999/2001 of the European Parliament and of the Council as regards the prohibition to feed non-ruminant farmed animals, other than fur animals, with protein derived from animals

(Official Journal of the European Union L 295 of 18 August 2021)

On page 15, Annex, point (5)(a), the replaced Section A in Chapter V of Annex IV to Regulation (EC) No 999/2001, paragraph 1, points (m) and (n):

for:

'(m) authorised compound feed establishments producing, in accordance with Chapter IV, Section G, point (b), compound feed containing processed animal protein derived from porcine animals intended for poultry;

(n) authorised compound feed establishments producing, in accordance with Chapter IV, Section H, point (b), compound feed containing processed animal protein derived from poultry intended for porcine animals;',

read:

'(m) authorised compound feed establishments producing, in accordance with Chapter IV, Section G, point (d), compound feed containing processed animal protein derived from porcine animals intended for poultry;

(n) authorised compound feed establishments producing, in accordance with Chapter IV, Section H, point (d), compound feed containing processed animal protein derived from poultry intended for porcine animals;'.

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