

Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Text with EEA relevance)

[^{X1}PART ONE

GENERAL PROVISIONS

TITLE II

LEVEL OF APPLICATION OF REQUIREMENTS

[^{X1}CHAPTER 2

Prudential consolidation

Section 1

Application of requirements on a consolidated basis

Article 11

General treatment

[^{F1} [^{F2}UK parent institutions] shall comply, to the extent and in the manner set out in Article 18, with the obligations laid down in [^{F3}Parts Two and Three on the basis of their consolidated situation]. The parent undertakings and their subsidiaries that are subject to this Regulation shall set up a proper organisational structure and appropriate internal control mechanisms in order to ensure that the data required for consolidation are duly processed and forwarded. In particular, they shall ensure that subsidiaries not subject to this Regulation implement arrangements, processes and mechanisms to ensure proper consolidation.

2 For the purpose of ensuring that the requirements of this Regulation are applied on a consolidated basis, the terms ‘ institution ’, [^{F4}‘UK parent institution’] and ‘ parent undertaking ’, as the case may be, shall also refer to:

- a a financial holding company or mixed financial holding company approved in accordance with Article 21a of Directive 2013/36/EU [^{F5}UK law];
- b a designated institution controlled by a parent financial holding company or parent mixed financial holding company where such a parent is not subject to approval in accordance with Article 21a(4) of Directive 2013/36/EU [^{F5}UK law];
- c a financial holding company, mixed financial holding company or institution designated in accordance with point (d) of Article 21a(6) of Directive 2013/36/EU [^{F5}UK law].

The consolidated situation of an undertaking referred to in point (b) of the first subparagraph of this paragraph shall be the consolidated situation of the parent financial holding company or the parent mixed financial holding company that is not subject to

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approval in accordance with Article 21a(4) of Directive 2013/36/EU [^{F5}UK law]. The consolidated situation of an undertaking referred to in point (c) of the first subparagraph of this paragraph shall be the consolidated situation of its parent financial holding company or parent mixed financial holding company.]

^{F6}3

[^{F7}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 [^{F8}non-UK 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.

^{F9} ... [^{F10}]

^{F11} 4

^{F12}5

6 [^{F13}In addition to the requirements of paragraphs 1 to 3, the competent authority may require an institution to comply with the obligations mentioned in the third sub-paragraph on a sub-consolidated basis when—

- a it is justified for supervisory purposes by the specificities of the risk or the capital structure of the institution, or
- b the institution is a ring-fenced body within the meaning of section 142A(1) of FSMA.]

The application of the approach set out in the first subparagraph shall be without prejudice to effective supervision on a consolidated basis. ^{F14} ... [^{F15}The obligations mentioned in this sub-paragraph are those provided for in—

- a Parts [^{F16}Two and Three] of this Regulation;
- b [Directive 2013/36/EU](#) UK law which implemented Title 7, Chapter 4 of [Directive 2013/36/EU](#).]

Textual Amendments

- F1** Substituted by [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 \(Text with EEA relevance\).](#)
- F2** Words in Art. 11(1) substituted (31.12.2020) by [The Securities Financing Transactions, Securitisation and Miscellaneous Amendments \(EU Exit\) Regulations 2020 \(S.I. 2020/1385\)](#), regs. 1(3), **74(2)(a)**
- F3** Words in Art. 11(1) substituted (1.1.2022) by S.I. 2021/1078, **reg. 4(5)(a)** (as substituted by [The Financial Services Act 2021 \(Prudential Regulation of Credit Institutions and Investment Firms\) \(Consequential Amendments and Miscellaneous Provisions\) Regulations 2021 \(S.I. 2021/1376\)](#), regs. 1(2), **32(2)(b)(i)**)
- F4** Words in Art. 11(2) substituted (31.12.2020) by [The Securities Financing Transactions, Securitisation and Miscellaneous Amendments \(EU Exit\) Regulations 2020 \(S.I. 2020/1385\)](#), regs. 1(3), **74(2)(b)(i)**
- F5** Words in Art. 11(2) inserted (31.12.2020) by [The Securities Financing Transactions, Securitisation and Miscellaneous Amendments \(EU Exit\) Regulations 2020 \(S.I. 2020/1385\)](#), regs. 1(3), **74(2)(b)(ii)**
- F6** Deleted by [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 \(Text with EEA relevance\).](#)

Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 575/2013 of the European Parliament and of the Council, CHAPTER 2. (See end of Document for details)

- F7** Inserted by 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 (Text with EEA relevance).
- F8** Words in Art. 11(3a) substituted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(2)(c)(i)**
- F9** Words in Art. 11(3a) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **16(3)**
- F10** Words in Art. 11(3a) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(2)(c)(iii)**
- F11** Art. 11(4) omitted (1.1.2022) by virtue of The Capital Requirements Regulation (Amendment) Regulations 2021 (S.I. 2021/1078), regs. 1(1), **4(5)(b)**
- F12** Art. 11(5) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(2)(e)**
- F13** Words in Art. 11(6) substituted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(2)(f)(i)**
- F14** Words in Art. 11(6) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(2)(f)(ii)**
- F15** Words in Art. 11(6) inserted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(2)(f)(iii)**
- F16** Words in Art. 11(6)(a) substituted (1.1.2022) by S.I. 2021/1078, **reg. 4(5)(c)** (as substituted by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(2), **32(2)(b)(ii)**)

^{F6}Article 12

[^{F6}Financial holding company or mixed financial holding company with both a subsidiary credit institution and a subsidiary investment firm]

Textual Amendments

- F6** Deleted by 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 (Text with EEA relevance).

^{F7}Article 12a

Consolidated calculation for G-SIIs with multiple resolution entities

Where at least two G-SII entities belonging to the same G-SII are resolution entities, the [^{F17}UK parent institution] of that G-SII shall calculate the amount of own funds and eligible liabilities referred to in point (a) of Article 92a(1) of this Regulation. That

Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 575/2013 of the European Parliament and of the Council, CHAPTER 2. (See end of Document for details)

calculation shall be undertaken on the basis of the consolidated situation of the [^{F17}UK parent institution] as if it were the only resolution entity of the G-SII.

^{F18} ...]

Textual Amendments

- F7** Inserted by 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 (Text with EEA relevance).
- F17** Words in Art. 12a substituted (31.12.2020) by The Capital Requirements (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/1232), regs. 1(3), **15(2)**; 2020 c. 1, Sch. 5 para. 1(1)
- F18** Words in Art. 12a omitted (31.12.2020) by virtue of The Capital Requirements (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/1232), regs. 1(3), **15(3)**; 2020 c. 1, **Sch. 5 para. 1(1)**

^{F19} Article 13

Application of disclosure requirements on a consolidated basis

Textual Amendments

- F19** Art. 13 omitted (1.1.2022) by S.I. 2021/1078, **reg. 4(6)** (as substituted by The Financial Services Act 2021 (Prudential Regulation of Credit Institutions and Investment Firms) (Consequential Amendments and Miscellaneous Provisions) Regulations 2021 (S.I. 2021/1376), regs. 1(2), **32(2)(c)**)

^{F1} Article 14

Application of requirements of Article 5 of Regulation (EU) 2017/2402 on a consolidated basis

1 Parent undertakings and their subsidiaries that are subject to this Regulation shall be required to meet the obligations laid down in Article 5 of Regulation (EU) 2017/2402 on a consolidated or sub-consolidated basis, to ensure that their arrangements, processes and mechanisms required by those provisions are consistent and well-integrated and that any data and information relevant to the purpose of supervision can be produced. In particular, they shall ensure that subsidiaries that are not subject to this Regulation implement arrangements, processes and mechanisms to ensure compliance with those provisions.

2 Institutions shall apply an additional risk weight in accordance with Article 270a of this Regulation when applying Article 92 of this Regulation on a consolidated or sub-consolidated basis if the requirements laid down in Article 5 of Regulation (EU) 2017/2402 are breached at the level of an entity established in a third country included in the consolidation in accordance with Article 18 of this Regulation if the breach is material in relation to the overall risk profile of the group.]

Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 575/2013 of the European Parliament and of the Council, CHAPTER 2. (See end of Document for details)

Textual Amendments

- F1** Substituted by 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 (Text with EEA relevance).

F20 Article 15

Derogation from the application of own funds requirements on a consolidated basis for groups of investment firms

Textual Amendments

- F20** Art. 15 omitted (1.1.2022) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), Sch. 1 para. 6; S.I. 2021/671, reg. 5(1)(b) (with reg. 5(2)) (as amended by S.I. 2021/1163, regs. 1(2), 2)

F21 Article 16

Derogation from the application of the leverage ratio requirements on a consolidated basis for groups of investment firms

Textual Amendments

- F21** Art. 16 omitted (1.1.2022) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), Sch. 1 para. 7; S.I. 2021/671, reg. 5(1)(b) (with reg. 5(2)) (as amended by S.I. 2021/1163, regs. 1(2), 2)

F22 Article 17

Supervision of investment firms waived from the application of own funds requirements on a consolidated basis

Textual Amendments

- F22** Art. 17 omitted (1.1.2022) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), Sch. 1 para. 8; S.I. 2021/671, reg. 5(1)(b) (with reg. 5(2)) (as amended by S.I. 2021/1163, regs. 1(2), 2)

Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 575/2013 of the European Parliament and of the Council, CHAPTER 2. (See end of Document for details)

Section 2

Methods for prudential consolidation

[^{F1} Article 18]

Methods of prudential consolidation

[^{F11} Institutions, financial holding companies and mixed financial holding companies that are required to comply with the requirements referred to in Section 1 of this Chapter on the basis of their consolidated situation shall carry out a full consolidation of all institutions and financial institutions that are their subsidiaries. ^{F23}...]

[^{F7}For the purposes of Article 11(3a), institutions that are required to comply with the requirements referred to in Article 92a ^{F24}... on a consolidated basis shall carry out a full consolidation of all institutions and financial institutions that are their subsidiaries in the relevant resolution groups.]

[^{F12} Ancillary services undertakings shall be included in consolidation in the cases, and in accordance with the methods, laid down in this Article.

3 Where undertakings are related [^{F25}by a common management relationship], competent authorities shall determine how consolidation is to be carried out.

4 The consolidating supervisor shall require the proportional consolidation according to the share of capital held of participations in institutions and financial institutions managed by an undertaking included in the consolidation together with one or more undertakings not included in the consolidation, where the liability of those undertakings is limited to the share of the capital they hold.

5 In the case of participations or capital ties other than those referred to in paragraphs 1 and 4, competent authorities shall determine whether and how consolidation is to be carried out. In particular, they may permit or require the use of the equity method. That method shall not, however, constitute inclusion of the undertakings concerned in supervision on a consolidated basis.

6 Competent authorities shall determine whether and how consolidation is to be carried out in the following cases:

- a where, in the opinion of the competent authorities, an institution exercises a significant influence over one or more institutions or financial institutions, but without holding a participation or other capital ties in those institutions; and
- b where two or more institutions or financial institutions are placed under single management other than pursuant to a contract, clauses of their memoranda or articles of association.

In particular, competent authorities may permit or require the use of the method provided for in Article 22(7), (8) and (9) of Directive 2013/34/EU [^{F26}, as it had effect immediately before IP completion day]. That method shall not, however, constitute inclusion of the undertakings concerned in consolidated supervision.

7 Where an institution has a subsidiary which is an undertaking other than an institution, a financial institution or an ancillary services undertaking or holds a participation in such an undertaking, it shall apply to that subsidiary or participation the equity method. That method shall not, however, constitute inclusion of the undertakings concerned in supervision on a consolidated basis.

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By way of derogation from the first subparagraph, competent authorities may allow or require institutions to apply a different method to such subsidiaries or participations, including the method required by the applicable accounting framework, provided that:

- a the institution does not already apply the equity method on 28 December 2020;
- b it would be unduly burdensome to apply the equity method or the equity method does not adequately reflect the risks that the undertaking referred to in the first subparagraph poses to the institution; and
- c the method applied does not result in full or proportional consolidation of that undertaking.

^[F27]8 Where consolidated supervision is required under this regulation, ancillary services undertakings and asset management companies as defined in Article 4(1)(19) of this regulation must be included in consolidations in the cases, and in accordance with the methods, laid down in this Article.]]

^[F7]9 ^[F28]The ^[F29]PRA may] make] technical standards to specify conditions in accordance with which consolidation shall be carried out in the cases referred to in paragraphs 3 to 6 and paragraph 8.

^{F30} ...]

Textual Amendments

- F1** Substituted by 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 (Text with EEA relevance).
- F7** Inserted by 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 (Text with EEA relevance).
- F23** Words in Art. 18(1) omitted (1.1.2022) by virtue of The Capital Requirements Regulation (Amendment) Regulations 2021 (S.I. 2021/1078), regs. 1(1), **4(7)**
- F24** Words in Art. 18(1) omitted (1.1.2024) by virtue of The Financial Services and Markets Act 2023 (Consequential Amendments) Regulations 2023 (S.I. 2023/1410), regs. 1(2), **16(4)**
- F25** Words in Art. 18(3) inserted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(3)(a)**
- F26** Words in Art. 18(6) inserted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(3)(b)**
- F27** Art. 18(8) substituted (31.12.2020) by The Financial Conglomerates and Other Financial Groups (Amendment etc.) (EU Exit) Regulations 2019 (S.I. 2019/264), regs. 1, **5(3)** (with reg. 6) (as amended by S.I. 2020/1301, reg. 3, **Sch. para. 15** and with savings in S.I. 2019/680, **reg. 11**); 2020 c. 1, **Sch. 5 para. 1(1)**
- F28** Words in Art. 18(9) substituted (31.12.2020) by The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(3)(d)(i)**
- F29** Words in Art. 18(9) substituted (1.1.2022) by Financial Services Act 2021 (c. 22), s. 49(5), **Sch. 1 para. 47**; S.I. 2021/671, reg. 5(1)(b) (with reg. 5(2)) (as amended by S.I. 2021/1163, regs. 1(2), 2)
- F30** Words in Art. 18(9) omitted (31.12.2020) by virtue of The Securities Financing Transactions, Securitisation and Miscellaneous Amendments (EU Exit) Regulations 2020 (S.I. 2020/1385), regs. 1(3), **74(3)(d)(ii)**

Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 575/2013 of the European Parliament and of the Council, CHAPTER 2. (See end of Document for details)

Section 3

Scope of prudential consolidation

Article 19

Entities excluded from the scope of prudential consolidation

1 An institution, a financial institution or an ancillary services undertaking which is a subsidiary or an undertaking in which a participation is held, need not to be included in the consolidation where the total amount of assets and off-balance sheet items of the undertaking concerned is less than the smaller of the following two amounts:

- a EUR 10 million;
- b 1 % of the total amount of assets and off-balance sheet items of the parent undertaking or the undertaking that holds the participation.

2 [^{F31}The consolidating supervisor] may on a case-by-case basis decide in the following cases that an institution, financial institution or ancillary services undertaking which is a subsidiary or in which a participation is held need not be included in the consolidation:

- a where the undertaking concerned is situated in a third country where there are legal impediments to the transfer of the necessary information;
- b where the undertaking concerned is of negligible interest only with respect to the objectives of monitoring institutions;

[^{X2}c where, in the opinion of [^{F32}the consolidating supervisor], the consolidation of the financial situation of the undertaking concerned would be inappropriate or misleading as far as the objectives of the supervision of institutions are concerned.]

3 Where, in the cases referred to in paragraph 1 and point (b) of paragraph 2, several undertakings meet the criteria set out therein, they shall nevertheless be included in the consolidation where collectively they are of non-negligible interest with respect to the specified objectives.

Editorial Information

- X2** Substituted by Corrigendum to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Official Journal of the European Union L 176 of 27 June 2013) (Corrected version in Official Journal of the European Union L 321 of 30 November 2013).

Textual Amendments

- F31** Words in Art. 19(2) substituted (31.12.2020) by The Capital Requirements (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1401), regs. 1(3), **78(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F32** Words in Art. 19(2)(c) substituted (31.12.2020) by The Capital Requirements (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1401), regs. 1(3), **78(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 575/2013 of the European Parliament and of the Council, CHAPTER 2. (See end of Document for details)

Article 20

Joint decisions on prudential requirements

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6 Where [^{F34}a UK parent institution and its subsidiaries, the subsidiaries of a UK parent financial holding company or a UK parent mixed financial holding company] use an Advanced Measurement Approach referred to in Article 312(2) or an IRB Approach referred to in Article 143 on a unified basis, the competent authorities shall allow the qualifying criteria set out in Articles 321 and 322 or in Part Three, Title II, Chapter 3, Section 6 respectively to be met by the parent and its subsidiaries considered together, in a way that is consistent with the structure of the group and its risk management systems, processes and methodologies.

F35 7

F35 8

Textual Amendments

- F33** Art. 20(1)-(5) omitted (31.12.2020) by virtue of [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1401\)](#), regs. 1(3), **79(a)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F34** Words in Art. 20(6) substituted (31.12.2020) by [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1401\)](#), regs. 1(3), **79(b)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F35** Art. 20(7)(8) omitted (31.12.2020) by virtue of [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1401\)](#), regs. 1(3), **79(c)** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

^{F36} Article 21

Joint decisions on the level of application of liquidity requirements

Textual Amendments

- F36** Art. 21 omitted (31.12.2020) by virtue of [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1401\)](#), regs. 1(3), **80** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Changes to legislation: There are currently no known outstanding effects for the Regulation (EU) No 575/2013 of the European Parliament and of the Council, CHAPTER 2. (See end of Document for details)

F37 Article 22

Sub-consolidation in cases of entities in third countries

Textual Amendments

F37 Art. 22 omitted (1.1.2022) by virtue of [The Capital Requirements Regulation \(Amendment\) Regulations 2021 \(S.I. 2021/1078\)](#), regs. 1(1), **4(8)**

Article 23

Undertakings in third countries

For the purposes of applying supervision on a consolidated basis in accordance with this Chapter, the terms ‘ investment firm ’, ‘ credit institution ’, ‘ financial institution ’, and ‘ institution ’ shall also apply to undertakings established in third countries, which, were they established in the [^{F38}United Kingdom], would fulfil the definitions of those terms in Article 4.

Textual Amendments

F38 Words in Art. 23 substituted (31.12.2020) by [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1401\)](#), regs. 1(3), **81** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

Article 24

Valuation of assets and off-balance sheet items

1 The valuation of assets and off-balance sheet items shall be effected in accordance with the applicable accounting framework.

2 By way of derogation from paragraph 1, competent authorities may require that institutions effect the valuation of assets and off-balance sheet items and the determination of own funds in accordance with the [^{F39}UK-adopted international accounting standards].]

Textual Amendments

F39 Words in Art. 24(2) substituted (31.12.2020) by [The Financial Services \(Miscellaneous\) \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/710\)](#), regs. 1(3), **27(3)**; 2020 c. 1, Sch. 5 para. 1(1)

Editorial Information

X1 Substituted by [Corrigendum to Regulation \(EU\) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation \(EU\) No 648/2012 \(OJ L 176, 27.6.2013, p. 1\)](#).

Changes to legislation:

There are currently no known outstanding effects for the Regulation (EU) No 575/2013 of the European Parliament and of the Council, CHAPTER 2.