

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 TEN

TRANSITIONAL PROVISIONS, REPORTS, REVIEWS AND AMENDMENTS

TITLE I

TRANSITIONAL PROVISIONS

[^{X1}CHAPTER 4

Large exposures, own funds requirements, leverage and the Basel I Floor

^{F1} Article 493

Transitional provisions for large exposures

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Textual Amendments

F1 [Art. 493](#) omitted (1.1.2022) by virtue of [The Capital Requirements Regulation \(Amendment\) Regulations 2021](#) (S.I. 2021/1078), regs. 1(1), **12(4)**

[^{F2}Article 494

Transitional provisions concerning the requirement for own funds and eligible liabilities

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:

- a a risk-based ratio of 16 %, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total risk exposure amount calculated in accordance with Article 92(3) and (4);
- b a non-risk-based ratio of 6 %, representing the own funds and eligible liabilities of the institution expressed as a percentage of the total exposure measure referred to in Article 429(4).

2 By way of derogation from Article 72b(3), as from 27 June 2019 until 31 December 2021, the extent to which eligible liabilities instruments referred to in Article 72b(3) may be included in eligible liabilities items shall be 2,5 % of the total risk exposure amount calculated in accordance with Article 92(3) and (4).

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3 By way of derogation from Article 72b(3), until the resolution authority assesses for the first time the compliance with the condition set out in point (c) of that paragraph, liabilities shall qualify as eligible liabilities instruments up to an aggregate amount that does not exceed, until 31 December 2021, 2,5 % and, after that date, 3,5 % of the total risk exposure amount calculated in accordance with Article 92(3) and (4), provided that they meet the conditions set out in points (a) and (b) of Article 72b(3).]

Textual Amendments

- F2** 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 \(Text with EEA relevance\).](#)

[^{F3} Article 494a

Grandfathering of issuances through special purpose entities

1 By way of derogation from Article 52, capital instruments not issued directly by an institution shall qualify as Additional Tier 1 instruments until 31 December 2021 only where all the following conditions are met:

- a the conditions set out in Article 52(1), except for the condition requiring that the instruments are directly issued by the institution;
- b the instruments are issued through an entity within the consolidation pursuant to Chapter 2 of Title II of Part One;
- c the proceeds are immediately available to the institution without limitation and in a form that satisfies the conditions set out in this paragraph.

2 By way of derogation from Article 63, capital instruments not issued directly by an institution shall qualify as Tier 2 instruments until 31 December 2021 only where all the following conditions are met:

- a the conditions set out in Article 63(1), except for the condition requiring that the instruments are directly issued by the institution;
- b the instruments are issued through an entity within the consolidation pursuant to Chapter 2 of Title II of Part One;
- c the proceeds are immediately available to the institution without limitation and in a form that satisfies the conditions set out in this paragraph.

Textual Amendments

- F3** 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 \(Text with EEA relevance\).](#)

Changes to legislation: There are outstanding changes not yet made to Regulation (EU) No 575/2013 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

Article 494b

Grandfathering of own funds instruments and eligible liabilities instruments

1 By way of derogation from Articles 51 and 52, instruments issued prior to 27 June 2019 shall qualify as Additional Tier 1 instruments at the latest until 28 June 2025, where they meet the conditions set out in Articles 51 and 52, except for the conditions referred to in points (p), (q) and (r) of Article 52(1).

2 By way of derogation from Articles 62 and 63, instruments issued prior to 27 June 2019 shall qualify as Tier 2 instruments at the latest until 28 June 2025, where they meet the conditions set out in Articles 62 and 63, except for the conditions referred to in points (n), (o) and (p) of Article 63.

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 the conditions set out in Article 72b, except for the conditions referred to in point (b)(ii) and points (f) to (m) of Article 72b(2).]

Textual Amendments

F3 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 \(Text with EEA relevance\).](#)

^{F4} Article 495

Treatment of equity exposures under the IRB Approach

Textual Amendments

F4 [Art. 495](#) omitted (1.1.2022) by virtue of [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\(3\), 25\(54\)](#)

Article 496

Own funds requirements for covered bonds

1 [^{F5}Competent authorities may waive in full or in part the 10 % limit for senior units issued by French Fonds Communs de Créances or by securitisation entities which are equivalent to French Fonds Communs de Créances laid down in points (d) and (f) of Article 129(1), provided that both of the following conditions are fulfilled:]

- a the securitised residential property or commercial immovable property exposures were originated by a member of the same consolidated group of which the issuer of the

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covered bonds is a member, or by an entity affiliated to the same central body to which the issuer of the covered bonds is affiliated, where that common group membership or affiliation shall be determined at the time the senior units are made collateral for covered bonds;

- b a member of the same consolidated group of which the issuer of the covered bonds is a member, or an entity affiliated to the same central body to which the issuer of the covered bonds is affiliated, retains the whole first loss tranche supporting those senior units.

2 Until 31 December 2014, for the purposes of point (c) of Article 129(1), the senior unsecured exposures of institutions which qualified for a 20 % risk weight under national law before 28 June 2013 shall be considered to qualify for credit quality step 1.

3 Until 31 December 2014, for the purposes of Article 129(5), the senior unsecured exposures of institutions which qualified for a 20 % risk weight under national law before 28 June 2013 shall be considered to qualify for a 20 % risk weight.

Textual Amendments

- F5** Substituted by [Commission Delegated Regulation \(EU\) 2017/2188 of 11 August 2017 amending Regulation \(EU\) No 575/2013 of the European Parliament and of the Council as regards the waiver on own funds requirements for certain covered bonds \(Text with EEA relevance\)](#).

F² Article 497

Own funds requirements for exposures to CCPs

1 Where a third-country CCP applies for recognition in accordance with Article 25 of Regulation (EU) No 648/2012, institutions may consider that CCP as a QCCP from the date on which it submitted its application for recognition to [^{F6}the Bank] and until one of the following dates:

- a where the [^{F7}Treasury have made regulations under] Article 25(6) of Regulation (EU) No 648/2012 in relation to the third country in which the CCP is established and that implementing act has entered into force, two years after the date of submission of the application;
- b where the [^{F8}Treasury have not yet made regulations under] Article 25(6) of Regulation (EU) No 648/2012 in relation to the third country in which the CCP is established or where that implementing act has not yet entered into force, the earlier of the following dates:
 - (i) two years after the date of entry into force of the [^{F9}regulations];
 - (ii) for CCPs that submitted the application after 27 June 2019 , two years after the date of submission of the application;
 - (iii) for those CCPs that submitted the application before 27 June 2019 , 28 June 2021.

2 Until the expiration of the deadline referred to in paragraph 1 of this Article, where a CCP referred to in that paragraph does not have a default fund and does not have in place a binding arrangement with its clearing members that allows it to use all or part of the initial margin received from its clearing members as if they were pre-funded contributions,

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the institution shall substitute the formula for calculating the own funds requirement in Article 308(2) with the following one:

$$KCM_i = \max(K_{CCP} \times IM_i DF_{CCP} + IM_i; 8\% \times 2\% \times IM_i)$$

where:

KCM _i	= the own funds requirement;
K _{CCP}	= the hypothetical capital of the QCCP communicated to the institution by the QCCP in accordance with Article 50c of Regulation (EU) No 648/2012;
DF _{CCP}	= the pre-funded financial resources of the CCP communicated to the institution by the CCP in accordance with Article 50c of Regulation (EU) No 648/2012;
i	= the index denoting the clearing member;
IM _i	= the initial margin posted with the CCP by clearing member i; and
IM	= the total amount of initial margin communicated to the institution by the CCP in accordance with Article 89(5a) of Regulation (EU) No 648/2012.

3 In exceptional circumstances, where it is necessary and proportionate in order to avoid disruption to international financial markets, the [F¹⁰Treasury may by regulations] extend [F¹¹by 12 months on each occasion] the transitional provisions set out in paragraph 1 of this Article.]

Textual Amendments

- F2** 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 \(Text with EEA relevance\).](#)
- F6** Words in Art. 497(1) substituted (31.12.2020) by [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1232\)](#), regs. 1(3), [77\(2\)\(a\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F7** Words in Art. 497(1)(a) substituted (31.12.2020) by [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1232\)](#), regs. 1(3), [77\(2\)\(b\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F8** Words in Art. 497(1)(b) substituted (31.12.2020) by [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1232\)](#), regs. 1(3), [77\(2\)\(c\)\(i\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F9** Word in Art. 497(1)(b)(i) substituted (31.12.2020) by [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1232\)](#), regs. 1(3), [77\(2\)\(c\)\(ii\)](#); 2020 c. 1, Sch. 5 para. 1(1)
- F10** Words in Art. 497(3) substituted (31.12.2020) by [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2018 \(S.I. 2018/1401\)](#), regs. 1(3), [221\(6\)\(a\)](#) (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)
- F11** Words in Art. 497(3) substituted (1.1.2022) by [The Capital Requirements Regulation \(Amendment\) Regulations 2021 \(S.I. 2021/1078\)](#), regs. 1(1), [12\(5\)](#)

Modifications etc. (not altering text)

- C1** Art. 497(1)(b)(ii): transitional period extended by 12 months so that it ends three years after the date of the submission of the application (22.12.2022) by [The Central Counterparties \(Transitional Provision\) \(Extension and Amendment\) Regulations 2022 \(S.I. 2022/1244\)](#), regs. 1(2), [2](#)

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^{F12} Article 498

Exemption for Commodities dealers

Until [^{F13}1 January 2022], the provisions on own funds requirements as set out in this Regulation shall not apply to investment firms the main business of which consists exclusively of the provision of investment services or activities in relation to the financial instruments set out in [^{F14}paragraphs 5, 6, 7, 9, 10 and 11 of Part 1 of Schedule 2 to the Regulated Activities Order] and to which Directive 2004/39/EC did not apply on 31 December 2006.]]

Editorial Information

- X2** Substituted by [Corrigendum to Regulation \(EU\) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations \(EU\) No 1093/2010, \(EU\) No 575/2013, \(EU\) No 600/2014 and \(EU\) No 806/2014 \(Official Journal of the European Union L 314 of 5 December 2019\)](#).

Textual Amendments

- F12** Substituted by [Regulation \(EU\) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations \(EU\) No 1093/2010, \(EU\) No 575/2013, \(EU\) No 600/2014 and \(EU\) No 806/2014 \(Text with EEA relevance\)](#).
- F13** Words in Art. 498 substituted (1.6.2021) by [The Capital Requirements Regulation \(Amendment\) \(EU Exit\) Regulations 2021 \(S.I. 2021/558\)](#), regs. 1(2), **2(3)(a)**
- F14** Words in Art. 498 substituted (1.6.2021) by [The Capital Requirements Regulation \(Amendment\) \(EU Exit\) Regulations 2021 \(S.I. 2021/558\)](#), regs. 1(2), **2(3)(b)**

^{F15} Article 499

Leverage

Textual Amendments

- F15** Art. 499 omitted (1.1.2022) by [The Capital Requirements Regulation \(Amendment\) Regulations 2021 \(S.I. 2021/1078\)](#), regs. 1(1), **12(5A)** (as inserted by [S.I. 2021/1376](#), regs. 1(2), **32(6)**)

^{F2} Article 500

Adjustment for massive disposals

1 By way of derogation from point (a) of Article 181(1), an institution may adjust its LGD estimates by partly or fully offsetting the effect of massive disposals of defaulted exposures on realised LGDs up to the difference between the average estimated LGDs for comparable exposures in default that have not been finally liquidated and the average realised LGDs including on the basis of the losses realised due to massive disposals, as soon as all the following conditions are met:

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- a the institution has notified the [F16PRA] of a plan providing the scale, composition and the dates of the disposals of defaulted exposures;
- b the dates of the disposals of defaulted exposures are after 23 November 2016 but not later than 28 June 2022 ;
- 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).

The adjustment referred to in the first subparagraph may only be carried out until 28 June 2022 and its effects may last for as long as the corresponding exposures are included in the institution's own LGD estimates.

2 Institutions shall notify the [F16PRA] without delay when the condition set out in point (c) of paragraph 1 has been met.]

Textual Amendments

- F2** 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).
- F16** Word in Art. 500 substituted (31.12.2020) by The Capital Requirements (Amendment) (EU Exit) Regulations 2019 (S.I. 2019/1232), regs. 1(3), 78; 2020 c. 1, Sch. 5 para. 1(1)

F17 Article 500a

Temporary treatment of public debt issued in the currency of another Member State

Textual Amendments

- F17** Art. 500a 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(8)

F18 Article 500b

Temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic

Textual Amendments

- F18** Art. 500b omitted (1.1.2022) by The Capital Requirements Regulation (Amendment) Regulations 2021 (S.I. 2021/1078), regs. 1(1), 12(5A) (as inserted by S.I. 2021/1376, regs. 1(2), 32(6))

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[^{F19} Article 500c

Exclusion of overshootings from the calculation of the back-testing addend in view of the COVID-19 pandemic

By way of derogation from Article 366(3), competent authorities may, in exceptional circumstances and in individual cases, permit institutions to exclude the overshootings evidenced by the institution's back-testing on hypothetical or actual changes from the calculation of the addend set out in Article 366(3), provided that those overshootings do not result from deficiencies in the internal model and provided that they occurred between 1 January 2020 and 31 December 2021.]

Textual Amendments

F19 Inserted by Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 as regards certain adjustments in response to the COVID-19 pandemic (Text with EEA relevance).

^{F21} Article 500d

^{F20} ... Calculation of the exposure value of regular-way purchases and sales awaiting settlement in view of the COVID-19 pandemic

Textual Amendments

F20 Word in Art. 500d heading omitted (26.6.2021) by virtue of Financial Services Act 2021 (c. 22), s. 49(5), Sch. 4 para. 12(2); S.I. 2021/671, reg. 3(b)

F21 Art. 500d omitted (1.1.2022) by The Capital Requirements Regulation (Amendment) Regulations 2021 (S.I. 2021/1078), regs. 1(1), 12(5A) (as inserted by S.I. 2021/1376, regs. 1(2), 32(6))

[^{F22} Article 501

Adjustment of risk-weighted non-defaulted SME exposures

1 Institutions shall adjust the risk-weighted exposure amounts for non-defaulted exposures to an SME (RWEA), which are calculated in accordance with Chapter 2 or 3 of Title II of Part Three [^{F22} of this Regulation and Articles 132a to 132c of Chapter 3 of the Standardised Approach and Internal Ratings Based Approach to Credit Risk (CRR) Part of the PRA Rulebook], as applicable, in accordance with the following formula:

$$RWEA^* = RWEA \times \frac{\min\{E^*; EUR2500000\} \times 0,7619 + \max\{E^* - EUR2500000; 0\} \times 0,85}{E^*}$$

where:

RWEA* = the RWEA adjusted by an SME supporting factor; and

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- 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.
- 2 For the purposes of this Article:
- a the exposure to an SME shall be included either in the retail or in the corporates or secured by mortgages on immovable property classes;
 - ^{F23}b an SME is defined as set out in Article 4(1)(128D) of this Regulation, save that in Article 2 of the Annex to Commission Recommendation 2003/361/EC only the annual turnover shall be taken into account;]
 - c institutions shall take reasonable steps to correctly determine E* and obtain the information required under point (b).]

Textual Amendments

- F2** 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).
- F22** Words in Art. 501(1) inserted (1.1.2022) 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(3), **25(55)**
- F23** Art. 501(2)(b) substituted (31.12.2020) by The Capital Requirements (Amendment) (EU Exit) Regulations 2018 (S.I. 2018/1401), regs. 1(3), **213** (with savings in S.I. 2019/680, reg. 11); 2020 c. 1, Sch. 5 para. 1(1)

^{F3} Article 501a

Adjustment to own funds requirements for credit risk for exposures to entities that operate or finance physical structures or facilities, systems and networks that provide or support essential public services

^{F1} Own funds requirements for credit risk calculated in accordance with Title II of Part III shall be multiplied by a factor of 0,75, provided that the exposure complies with all the following criteria:

- a the exposure is included either in the corporate exposure class or in the specialised lending exposures class, with the exclusion of exposures in default;
- b the exposure is to an entity which was created specifically to finance or operate physical structures or facilities, systems and networks that provide or support essential public services;
- c the source of repayment of the obligation is represented for not less than two thirds of its amount by the income generated by the assets being financed, rather than the independent capacity of a broader commercial enterprise, or by subsidies, grants or funding provided by one or more of the entities listed in points (b)(i) and (b)(ii) of paragraph 2;
- d the obligor can meet its financial obligations even under severely stressed conditions that are relevant for the risk of the project;

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- e the cash flows that the obligor generates are predictable and cover all future loan repayments during the duration of the loan;
- f the re-financing risk of the exposure is low or adequately mitigated, taking into account any subsidies, grants or funding provided by one or more of the entities listed in points (b)(i) and (b)(ii) of paragraph 2;
- g the contractual arrangements provide lenders with a high degree of protection including the following:
 - (i) where the revenues of the obligor are not funded by payments from a large number of users, the contractual arrangements shall include provisions that effectively protect lenders against losses resulting from the termination of the project by the party which agrees to purchase the goods or services provided by the obligor;
 - (ii) the obligor has sufficient reserve funds fully funded in cash or other financial arrangements with highly rated guarantors to cover the contingency funding and working capital requirements over the lifetime of the assets referred to in point (b) of this paragraph;
 - (iii) the lenders have a substantial degree of control over the assets and the income generated by the obligor;
 - (iv) the lenders have the benefit of security to the extent permitted by applicable law in assets and contracts critical to the infrastructure business or have alternative mechanisms in place to secure their position;
 - (v) equity is pledged to lenders such that they are able to take control of the entity upon default;
 - (vi) the use of net operating cash flows after mandatory payments from the project for purposes other than servicing debt obligations is restricted;
 - (vii) there are contractual restrictions on the ability of the obligor to perform activities that may be detrimental to lenders, including the restriction that new debt cannot be issued without the consent of existing debt providers;
- h the obligation is senior to all other claims other than statutory claims and claims from derivatives counterparties;
- i where the obligor is in the construction phase, the following criteria shall be fulfilled by the equity investor, or where there is more than one equity investor, the following criteria shall be fulfilled by a group of equity investors as a whole:
 - (i) the equity investors have a history of successfully overseeing infrastructure projects, the financial strength and the relevant expertise;
 - (ii) the equity investors have a low risk of default, or there is a low risk of material losses for the obligor as a result of their default;
 - (iii) there are adequate mechanisms in place to align the interest of the equity investors with the interests of lenders;
- j the obligor has adequate safeguards to ensure completion of the project according to the agreed specification, budget or completion date; including strong completion guarantees or the involvement of an experienced constructor and adequate contract provisions for liquidated damages;
- k where operating risks are material, they are properly managed;
- l the obligor uses tested technology and design;

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- m all necessary permits and authorisations have been obtained;
- n the obligor uses derivatives only for risk-mitigation purposes;
- o the obligor has carried out an assessment whether the assets being financed contribute to the following environmental objectives:
 - (i) climate change mitigation;
 - (ii) climate change adaptation;
 - (iii) sustainable use and protection of water and marine resources;
 - (iv) transition to a circular economy, waste prevention and recycling;
 - (v) pollution prevention and control;
 - (vi) protection of healthy ecosystems.

2 For the purposes of point (e) of paragraph 1, the cash flows generated shall not be considered predictable unless a substantial part of the revenues satisfies the following conditions:

- a one of the following criteria is met:
 - (i) the revenues are availability-based;
 - (ii) the revenues are subject to a rate-of-return regulation;
 - (iii) the revenues are subject to a take-or-pay contract;
 - (iv) the level of output or the usage and the price shall independently meet one of the following criteria:
 - it is regulated,
 - it is contractually fixed,
 - it is sufficiently predictable as a result of low demand risk;
- b where the revenues of the obligor are not funded by payments from a large number of users, the party which agrees to purchase the goods or services provided by the obligor shall be one of the following:
 - (i) a central bank, a central government, a regional government or a local authority, provided that they are assigned a risk weight of 0 % in accordance with Articles 114 and 115 or are assigned an ECAI rating with a credit quality step of at least 3;
 - (ii) a public sector entity, provided that it is assigned a risk weight of 20 % or below in accordance with Article 116 or is assigned an ECAI rating with a credit quality step of at least 3;
 - (iii) a multilateral development bank referred to in Article 117(2);
 - (iv) an international organisation referred to in Article 118;
 - (v) a corporate entity which has been assigned an ECAI rating with a credit quality step of at least 3;
 - (vi) an entity that is replaceable without a significant change in the level and timing of revenues.

Changes to legislation: There are outstanding changes not yet made to Regulation (EU) No 575/2013 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes

3 Institutions shall report to competent authorities every six months on the total amount of exposures to infrastructure project entities calculated in accordance with paragraph 1 of this Article.]

F24 4

F24 5]]

Textual Amendments

F3 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 \(Text with EEA relevance\).](#)

F24 Art. 501a(4)(5) omitted (31.12.2020) by virtue of [The Capital Requirements \(Amendment\) \(EU Exit\) Regulations 2019 \(S.I. 2019/1232\)](#), regs. 1(3), **79** (as amended by [S.I. 2020/1385](#), regs. 1(4), **65(3)**)

F25 Article 501b

Derogation from reporting requirements

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Textual Amendments

F25 [Art. 501b](#) omitted (1.1.2022) by virtue of [The Capital Requirements Regulation \(Amendment\) Regulations 2021 \(S.I. 2021/1078\)](#), regs. 1(1), **12(6)**

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 outstanding changes not yet made to Regulation (EU) No 575/2013 of the European Parliament and of the Council. Any changes that have already been made to the legislation appear in the content and are referenced with annotations.

View outstanding changes

Changes and effects yet to be applied to :

- Regulation revoked by [2023 c. 29 Sch. 1 Pt. 1](#)

Changes and effects yet to be applied to the whole legislation item and associated provisions

- Pt. 3 Title 1 Ch. 1 SECTION 2 A 95 repeal by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Pt. 3 Title 1 Ch. 1 SECTION 2 repeal by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Pt. 3 Title 1 Ch. 1 SECTION 2 A 98 repeal by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Pt. 3 Title 1 Ch. 1 SECTION 2 A 96 repeal by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Pt. 3 Title 1 Ch. 1 SECTION 2 A 97 repeal by [EUR 2019/2033](#) Regulation (This amendment by the EU not applied to legislation.gov.uk because it is brought into force after IP completion day.)
- Art. 4.1(7) words omitted by [S.I. 2018/1401 reg. 64\(7\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(7) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(i))
- Art. 4.1(7) words substituted by [S.I. 2018/1401 reg. 64\(7\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(7) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(i))
- Art. 4.1(7) words substituted by [S.I. 2018/1401 reg. 64\(7\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(7) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(i))
- Art. 4.1(26) words inserted by [S.I. 2018/1401 reg. 64\(20\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(20) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(ii))
- Art. 4.1(26) words substituted by [S.I. 2018/1401 reg. 64\(20\)\(d\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(20) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(ii))
- Art. 4.1(28) words substituted by [S.I. 2018/1401 reg. 64\(23\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(23) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(iii))
- Art. 4.1(28) words substituted by [S.I. 2018/1401 reg. 64\(23\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(23) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(iii))
- Art. 4.1(28) words substituted by [S.I. 2018/1401 reg. 64\(23\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(23) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(iii))
- Art. 4.1(128) word substituted by [S.I. 2018/1401 reg. 64\(51\)](#) (This amendment not applied to legislation.gov.uk. Reg. 64(51) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(c)(iv))
- Art. 11(6)(a) words substituted by [S.I. 2021/1078 reg. 4\(5\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Amending provision substituted by S.I. 2021/1376)

- Art. 18(8)(a) words substituted by [S.I. 2020/1385 reg. 74\(3\)\(c\)](#) (This amendment not applied to legislation.gov.uk. Art. 18(8) substituted (31.12.2020) by S.I. 2019/264, regs. 1, 5(3).)
- Art. 31(1)(b) words substituted by [S.I. 2018/1401 reg. 86\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 86(a) omitted immediately before IP completion day by virtue of S.I. 2020/1470, reg. 1(4), Sch. 2 para. 17)
- Art. 31(1)(b) words substituted in earlier amending provision S.I. 2018/1401, reg. 86(a) by [S.I. 2020/1301 reg. 3Sch. para. 11\(g\)](#) (This amendment not applied to legislation.gov.uk. Reg. 86(a) omitted immediately before IP completion day by virtue of S.I. 2020/1470, reg. 1(4), Sch. 2 para. 17)
- Art. 31(1)(c) words inserted by [S.I. 2018/1401 reg. 86\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 86(b) omitted immediately before IP completion day by virtue of S.I. 2020/1470, reg. 1(4), Sch. 2 para. 17)
- Art. 78(1)(b) words substituted by [S.I. 2018/1401 reg. 94\(2\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Reg. 94(2) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(h))
- Art. 78(1)(b) words substituted by [S.I. 2018/1401 reg. 94\(2\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Reg. 94(2) omitted (6.9.2019) by virtue of S.I. 2019/1232, regs. 1(2), 3(3)(h))
- Art. 124(4)(b) word substituted by [S.I. 2018/1401 reg. 225\(1\)\(2\)reg. 225\(3\)\(b\)](#) (This amendment not applied to legislation.gov.uk. The words to be substituted in Art. 124(4) are not present following the substitution of Art 124 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).)
- Art. 325(3)(a) word omitted by [S.I. 2018/1401 reg. 157](#) (This amendment not applied to legislation.gov.uk. The words to be omitted are not present in Art. 325(3)(a))
- Art. 450(1)(d) words substituted by [2021 c. 22 Sch. 1 para. 41](#) (This amendment not applied to legislation.gov.uk. Pt. 8 omitted (1.1.2022) by virtue of S.I. 2021/1078, regs. 1(1), 10 (as substituted by S.I. 2021/1376, regs. 1(2), 32(4)))
- Art. 456(1)(h)(i) omitted by [S.I. 2021/1078 reg. 11\(2\)\(a\)\(iv\)](#) (This amendment not applied to legislation.gov.uk. Amending provision substituted by S.I. 2021/1376)
- Art. 459(b) omitted by [S.I. 2021/1078 reg. 11\(5\)\(a\)](#) (This amendment not applied to legislation.gov.uk. Amending provision substituted by S.I. 2021/1376)
- Art. 459(c) words substituted by [S.I. 2021/1078 reg. 11\(5\)\(b\)](#) (This amendment not applied to legislation.gov.uk. Amending provision substituted by S.I. 2021/1376)
- Art. 497(1)(b)(ii) extended by [S.I. 2022/1244 reg. 2](#)
- Art. 497(1)(b)(ii) extended by [S.I. 2023/999 reg. 2](#)