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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations revoke provisions of [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, as it forms part of domestic law (the “CRR”). The majority of the provisions are to be replaced by rules to be made by the Prudential Regulation Authority (“PRA”).

The revoked provisions of the CRR include:

- Article 36 (deductions from Common Equity Tier 1 items);
- Articles 94 and 102 to 106 (own funds requirements relating to trading book);
- Articles 99 to 101 and Part Seven A (reporting requirements);
- Articles 128, 132, 132a and 152 (standardised approach to credit risk);
- Article 158 (internal ratings-based approach: treatment by exposure type);
- Articles 273 to 282 and 300 to 311 (own funds requirements for counterparty credit risk);
- Article 316 (own funds requirements for operational risk);
- Article 385 (own funds requirements for credit valuation adjustment risk);
- Part Four (with the exception of Article 391(2)) (large exposures);
- Part Six (liquidity requirements);
- Part Eight (with the exception of Article 451) (disclosure requirements).

The Regulations also make consequential amendments, including to the level of application requirements in Title II of Part One, and revoke Commission Delegated and Implementing Regulations made in respect of revoked provisions of the CRR.

A draft of the rules proposed to be made by the PRA to replace the revoked provisions of the CRR (“CRR rules”) can be found at <https://www.bankofengland.co.uk/prudential-regulation> and a copy can be obtained from the Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA.

Section 5(3) of the Financial Services Act 2021 makes provision for certain references in the CRR to revoked provisions of the CRR to be read as references to corresponding CRR rules. Under section 5(4) of that Act, the PRA has prepared a document setting out whether and how the proposed CRR rules correspond to the provisions of the CRR revoked by these Regulations. This document will be published at <https://www.bankofengland.co.uk/prudential-regulation> and a copy can be obtained from the Prudential Regulation Authority, 20 Moorgate, London EC2R 6DA.

These Regulations also amend Articles 6(1), 7(3), 11(1) and (4), 18(1), 391, 461 and 497 of the CRR using the powers in section 8(1) of, and paragraph 21 of Schedule 7 to, the European Union (Withdrawal) Act 2018 (c. 16) to address failures of retained EU law to operate effectively and other deficiencies arising from the withdrawal of the United Kingdom from the European Union (in particular, deficiencies under paragraphs (a) and (g) of section 8(2) of that Act).

No impact assessment has been published in respect of these Regulations because no impact, or no significant impact, on the private, voluntary or public sector is foreseen.