

# Single Rulebook Q&A

<b>Question ID</b>	2020_5631
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Market risk
<b>Article</b>	352
<b>Paragraph</b>	3
<b>Subparagraph</b>	-
<b>COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations</b>	Not applicable
<b>Article/Paragraph</b>	n.a.
<b>Date of submission</b>	25/11/2020
<b>Published as Final Q&amp;A</b>	15/07/2022
<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Competent authority
<b>Subject matter</b>	Conditions for the usage of the net present value when calculating open positions in each currency and in gold
<b>Question</b>	According to Article 352(3) CRR, which requirements have to be met in order to consider the approach as applied consistently?
<b>Background on the question</b>	<p>According to Article 352(3) of Regulation (EU) No 575/2013 (CRR) as amended, institutions have the option to use the net present value when calculating the net open position in each currency and in gold, provided that the institution applies this approach consistently. On European level, there is no further clarification provided regarding Article 352(3) CRR in the form of a technical standard or an EBA Q&amp;A. According to the former German administrative practice („Grundsatz I“, which is predecessor regulation of the CRR on national level) the option can be applied under the following condition: “ it is required that the institution takes into account the derivatives with its present value in the daily risk management. The supervisory authority may ask the institution applying the option to prove the fulfilment of this requirement”. Due to the fact, that there is currently no regulation conflicting with the former German administrative practice, it is considered appropriate to continue its application. However, in order to ensure a level playing field, it is necessary to clarify what is the shared</p>

	understanding and the consequent application of the requirements for using the option in Article 352(3) CRR.
<b>Final answer</b>	According to Article 352(3) of Regulation (EU) No 575/2013 (CRR), an institution may use the net present value when calculating the net open position in each currency and in gold only if it applies this approach consistently. Consistency in the application of the approach refers to the institutions' internal procedures, in the sense that the option to use the net present value when calculating the net open position in each currency and in gold cannot be used on a case by case basis.
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2020_5631">https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2020_5631</a>

European Banking Authority, 01/04/2023  
[www.eba.europa.eu](http://www.eba.europa.eu)