

Single Rulebook Q&A

Question ID	2013_11
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Own funds
Article	483
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	N/A
Date of submission	03/07/2013
Published as Final Q&A	31/10/2013
Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	Grandfathering of own funds instruments
Question	Is there any grandfathering applicable to instruments of state aid that are initially subscribed by the state but are then sold a) before 31 December 2017 and b) after that date?
Background on the question	Not given
Final answer	<p>State aid instruments issued prior to 1 January 2014 and initially subscribed by the Member State that comply with the provisions of Article 483 may be grandfathered fully in accordance with this Article during the period from 1 January 2014 to 31 December 2017.</p> <p>The subsequent sale of those instruments to private investors does not alter the grandfathering arrangements applicable to those instruments which are still considered state aid instruments for the purposes of the Article 483 of CRR. They will be disqualified from regulatory own funds from 1 January 2018 unless they are fully eligible to either Common Equity Tier 1, Additional Tier 1 or Tier 2 in their own right.</p>

	<p><u>DISCLAIMER:</u></p> <p>This question goes beyond matters of consistent and effective application of the regulatory framework. A Directorate General of the Commission (Directorate General for Internal Market and Services) has prepared the answer, albeit that only the Court of Justice of the European Union can provide definitive interpretations of EU legislation. This is an unofficial opinion of that Directorate General, which the European Banking Authority publishes on its behalf. The answers are not binding on the European Commission as an institution. You should be aware that the European Commission could adopt a position different from the one expressed in such Q&As, for instance in infringement proceedings or after a detailed examination of a specific case or on the basis of any new legal or factual elements that may have been brought to its attention.</p>
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European Banking Authority, 03/10/2023
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