

<b>Question ID</b>	2013_49
<b>Status</b>	Final Q&A
<b>Legal act</b>	Regulation (EU) No 575/2013 (CRR)
<b>Topic</b>	Own funds
<b>Article</b>	489, 490
<b>Paragraph</b>	-
<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>	08/07/2013
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<b>Disclose name of institution / entity</b>	No
<b>Type of submitter</b>	Credit institution
<b>Subject matter</b>	Possibility to remove a Tier 1's call options to make the securities Tier 2 compliant
<b>Question</b>	Based on the answer to question 2013_16, if a step-up Tier 1 bond's terms were changed (which had a call date in, say, 2016) so that all call options were removed, this could not prolong its grandfathering as Tier 1, if that were the sole rationale for removing the calls. However, if a removal of calls is to make the Tier 1 bonds count as eligible Tier 2 (as there is no call feature), then could they be reclassified as Tier 2?
<b>Background on the question</b>	Extending question 2013_16 to the Tier 1 space.
<b>EBA answer</b>	The removal of call options would be considered a material change in the terms and conditions of the instrument, therefore the treatment laid down in <a href="#">QA 2013_16</a> would apply.
<b>Link</b>	<a href="https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_49">https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_49</a>

