

Question ID	2013_69
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Credit risk
Article	310
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	N/A
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Alternative calculation of own funds requirement for exposures to a Qualifying Central Counterparty (QCCP)
Question	In the formula given in Article 310 of Regulation (EU) No 575/2013 (CRR) the trade exposure is referenced. According to article 306(1)(c) CRR and Article 306(2) CRR exemptions for the calculation of trade exposure exist, e.g. trade exposure can be set to zero under certain circumstance given in Article 306 CRR. Do these exemptions also hold when using Article 310 CRR?
Background on the question	It is unclear, whether a clearing member can set exposures with the CCP from client transactions to zero (Article 306(1)(c)) CRR), when the alternative method is used. The same question arises when posted collateral which is bankruptcy remote is included (Article 306(2) CRR). Both exceptions for exposure calculation are laid down in Article 306 CRR. But Article 310 CRR does not explicitly refer to Article 306 CRR for the definition of trade exposure. This evidently changes amounts for capital requirement in the formula of Article 310 CRR.
Final answer	No, the exemptions in Article 306 of Regulation (EU) No. 575/2013 (CRR) do not apply to Article 310. This conclusion can be reached based on two

	<p>considerations:</p> <ol style="list-style-type: none"> 1. The formulation of Articles 306(1)(c) and 306(2) of the CRR are specific to that Article (there is no reference in Article 306 to Article 310, and vice-versa); and 2. It clearly follows from Article 301(2) of the CRR that the method set out in Article 310 is an alternative to the method set out in Article 306. <p>DISCLAIMER:</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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