

Question ID	2013_422
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Market risk
Article	357
Paragraph	3
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	-
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Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Stock financing
Question	<p>Could you please clarify if the positions that are purely 'stock financing', as defined in Article 3(1)(l) of Directive 2006/49/EC, but not defined in Regulation (EU) No. 575/2013 (CRR), may be excluded from the calculation of own funds requirements for commodities risk under Part three, Title IV, Chapter 4 of the CRR, as was allowed under Directive 2006/49/EC.</p>
Background on the question	<p>Under Directive 2006/49/EC, positions which are purely 'stock financing' as defined in Article 3(1)(l) may be excluded from the commodities risk calculation for the purposes of Annex IV (calculating capital requirements for commodities risk), as stipulated in Annex IV, article 3: "For the purposes of this Annex, positions which are purely stock financing may be excluded from the commodities risk calculation only." Article 3(1)(l) of Directive 2006/49/EC: " 'stock financing' means positions where physical stock has been sold forward and the cost of funding has been locked in until the date of the forward sale;" Annex IV (correlation table) of the CRR points to Article 357 (positions in commodities) paragraph 3, which does not explicitly mention the exclusion of positions that are purely stock financing.</p>
Final answer	Regulation (EU) No. 575/2013 (CRR) does not contain any specific treatment

for commodities risk from stock financing. Such commodities' risk is therefore not excluded from the calculation of own funds requirements for commodities risk under Part Three, Title IV, Chapter 4 of the CRR.

DISCLAIMER:

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.

Link

https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_422

European Banking Authority, 26/09/2023
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