

Question ID	2014_1071
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Own funds
Article	52, 63, 484
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) No 241/2014 - RTS for Own Funds requirements for institutions
Article/Paragraph	not relevant
Date of submission	14/04/2014
Published as Final Q&A	06/06/2014
Disclose name of institution / entity	No
Type of submitter	Credit institution
Subject matter	Treatment as own funds under Regulation (EU) No 575/2013 (CRR)
Question	Confirmation is sought that instruments that initially qualified for transitional treatment in a higher own funds category according to CRR transition rules in Articles 484ff, but for which documentation had to be altered to a lower own funds category as instructed by a court ruling following a litigation, are to be reported as fully compliant with that lower own funds category. More background information on the instruments will be made available directly to EBA.
Background on the question	Treatment of own funds instruments where terms and conditions were clarified and retrospectively altered as instructed by a Court ruling.
Final answer	<p>Q&A 2013-16 indicates that "a material change in the terms and conditions of a pre-existing instrument shall be considered in the same way as the issuance of a new instrument", without distinguishing cases where these changes have been triggered by the institution or imposed by an external party, which should then apply similarly.</p> <p>In order for the amended instrument to be reported as fully compliant with the lower own funds category, it would need to meet all CRR eligibility</p>

	criteria for this category (in particular the absence of incentives to redeem).
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2014_1071

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