

Question ID	2017_3115
Status	Final Q&A
Legal act	Directive 2014/59/EU (BRRD)
Topic	Resolution tools and powers
Article	43
Paragraph	2
Subparagraph	b
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	Competent authority
Subject matter	Principal amount in Articles 43-60
Question	What does the term “principal amount” as referred to in Articles 43 to 63 of Directive 2014/59/EU (BRRD) refer to?
Background on the question	In many articles, especially amongst Articles 43-60 BRRD we notice a reference to “principal amount” such as the case is in article 43 para.2b “principal amount of claims” or “principal amount of or outstanding amount of eligible liabilities” in art. 63 para 1e. Could you clarify what is the meaning of “principal’ and the difference with “outstanding amount” as it appears in the accounts of the institutions?
Final answer	<p>'Principal amount' refers to the original amount (or part of the amount originally) borrowed/owed, whereas 'outstanding amounts' may include other elements, such as accrued interest on the principal amount up to the date when resolution is triggered.</p> <p>Disclaimer:</p> <p>The answers clarify provisions already contained in the applicable legislation.</p>

	<p>They do not extend in any way the rights and obligations deriving from such legislation nor do they introduce any additional requirements for the concerned operators and competent authorities. The answers are merely intended to assist natural or legal persons, including competent authorities and Union institutions and bodies in clarifying the application or implementation of the relevant legal provisions. Only the Court of Justice of the European Union is competent to authoritatively interpret Union law. The views expressed in the internal Commission Decision cannot prejudice the position that the European Commission might take before the Union and national courts.</p>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2017_3115</p>

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