



**Single
Rulebook
Q&A**

Question ID	2013_172
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Credit risk
Article	107
Paragraph	2
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	NA
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Disclose name of institution / entity	Yes
Name of institution / submitter	ACP
Country of incorporation / residence	France
Type of submitter	Competent authority
Subject matter	Credit risk approach applicable to exposures to CCPs: standardized approach (SA) or internal rating based approach (IRB)
Question	Is the IRB approach applicable to exposures to CCPs?
Background on the question	According to Article 107(2) of Regulation (EU) No 575/2013 (CRR), institutions shall apply the treatment set out in Chapter 6, Section 9 of CRR

	<p>for exposures to a CCP. This treatment applies to trade exposures and to default fund contributions to a CCP. Own funds requirements for these exposures shall be calculated applying Articles 301 in conjunction with Articles 306 to 310 of CRR. Article 107(2) of CRR also sets out that exposures which are not in the scope of Chapter 6, Section 9 of CRR shall be treated either like exposures on institutions (for QCCP), or like exposures on corporate (for non QCCP). CRR does not explicitly set out the approach (SA or IRB) that can be applied for these exposures.</p>
EBA answer	<p>According to Article 107(2) of Regulation (EU) No. 575/2013 (CRR), the types of exposures outside the scope of Chapter 6, Section 9 of the CRR shall be treated as exposures to institutions or corporates depending on the conditions set out in that paragraph. For exposures to institutions or corporates, institutions shall apply, in accordance with Article 107(1) of the CRR, the Internal Ratings Based Approach, if permitted by the competent authorities, in accordance with Article 143.</p> <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>
Link	<p>https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_172</p>

European Banking Authority, 25/06/2021

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