



EUROPEAN COMMISSION

Directorate General Financial Stability, Financial Services and Capital Markets Union

Director General

Brussels,
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Mr. Andrea ENRIA
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London E14 5AA
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Sent by e-mail

Subject: Call for Advice to the EBA for the purposes of revising the own fund requirements for market risk as part of the CRR review

Dear Andrea,

The European Commission is currently undertaking a review of the CRR and is as part of this review considering the impact of implementing the agreed Basel Committee on Banking Supervision (BCBS) framework detailed in the document "Minimum capital requirements for market risk"¹. Therefore, the European Commission would like to seek technical advice from EBA to assess the impact for EU banks of adopting the BCBS framework with a particular emphasis on a quantitative assessment. In addition, the Commission would like to ask the EBA for an assessment of whether possible adjustments to the BCBS framework might be appropriate, especially adjustments in calibration and in the specific treatment for small trading books.

I cannot stress enough the importance of this exercise. Up to date, there is no EU-specific assessment of the convenience and impact of updating these rules in the ways proposed by the BCBS. The Commission will therefore need as much information as possible in order to inform its view on any potential future action in this area.

Because of the broad scope of the exercise, the substantial amount of work that will be needed in order to prepare the EBA's advice and the deadlines to be completed, my services have already contacted the EBA's staff to discuss the content of the Call for Advice. My services stand ready to support the EBA in the completion of this targeted advice as efficiently as possible. As always, the invaluable input from the EBA will be instrumental in delivering the proposals.

Thank you in advance for your cooperation and I look forward to receiving the EBA's advice.

Yours sincerely,

Olivier Guersent

¹ BCBS, January 2016: (<http://www.bis.org/bcbs/publ/d352.htm>)