COMMISSION DELEGATED REGULATION (EU) 2022/1622

of 17 May 2022

supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards on emerging markets and advanced economies

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of 26 June 2013 of the European Parliament and of the Council on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 ([1]), and in particular Article 325ap(3), third subparagraph, thereof,

Whereas:

(1) The market risk own funds requirements under the alternative standardised approach set out in Article 325c to Article 325ay of Regulation (EU) No 575/2013 require, for the calculation of the own funds requirement under the sensitivities-based method set out in Article 325d to Article 325k, the application of the risk weights for equity risk specified in Table 8 of Article 325ap of that Regulation pursuant to the delegated act referred to in Article 461a. Since markets constituting advanced economies and emerging markets are mutually exclusive categories, it should be clarified that all markets not constituting advanced economies should be regarded as emerging markets.

(2) When determining which markets constitute advanced economies and which ones constitute emerging markets, it is necessary, on the one hand, to ensure a level playing field and, on the other hand, to establish a risk-based approach. In that respect, specifying the list of countries that constitute advanced economies is deemed the most appropriate solution in light of the approach followed by the Basel Committee on Banking Supervision (BCBS) and the need to achieve a common implementation of the calculation methodology of the related market risk requirements in all Member States. While BCBS international standards should be taken into consideration, it should be specified that markets of the Member States that are less volatile than the markets recognised as advanced economies in accordance with those international standards constitute advanced rather than emerging market economies. Furthermore, the determination of advanced and emerging market economies should have due regard to the establishment of an internal market in the Union, the presence of the European Economic Area, and the specificities related to overseas countries and territories of some Member States.

(3) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Banking Authority.

(4) The European Banking Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits, and requested the advice of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council ([2]),

([1]) OJ L 176, 27.6.2013, p. 1.

([2]) Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (OJ L 331, 15.12.2010, p. 12).

HAS ADOPTED THIS REGULATION:

Article 1

Advanced economies and emerging markets

1. For the purposes of specifying risk weights for the sensitivities to equity and equity repo rate risk factors in accordance with Article 325ap of Regulation (EU) No 575/2013, the following countries shall constitute advanced economies:

(a) Member States of the European Union;

(b) the overseas countries and territories which have special relations with Denmark, France or the Netherlands, including Faeroe Islands and those listed in Annex II to the Treaty on the Functioning of the European Union;

(c) the following third countries:

(i) third countries, which are parties to the Agreement on the European Economic Area;

(ii) Australia;

(iii) Canada;

(iv) Hong Kong;

(v) Japan;

(vi) Mexico;

(vii) New Zealand;

(viii) Singapore;

(ix) Switzerland;

(x) the United Kingdom;

(xi) the United States.

2. For the purposes of specifying risk weights for the sensitivities to equity and equity repo rate risk factors under Article 325ap of Regulation (EU) No 575/2013, countries not listed in paragraph 1 of this Article shall constitute emerging markets.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 17 May 2022.

For the Commission
The President
Ursula VON DER LEYEN