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From: General Secretariat of the Council

To: Permanent Representatives Committee (Part 2)/Council

No. Cion doc.: 7856/14, 7863/14 + ADD1 + ADD2, 7865/14, 7866/14 + ADD 1, 7867/14, 7868/14, 7870/14, 7871/14, 7873/14, 7463/14

Subject: 10 Commission Delegated Regulations supplementing Regulation (EU) No. 575/2013 and Directive 2013/36/EU of the European Parliament and of the Council

- Intention not to raise objections to the delegated acts

1. The Commission submitted the following 10 regulatory technical standards, in the form of delegated acts, to the Council in accordance with the procedure set out in Article 290 TFEU, Articles 10 to 14 of Regulation (EU) No 1093/2010, Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012¹, and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC²:

¹ OJ L 176, 27.6.2013, p.1.

² OJ L 176, 27.6.2013, p. 338.

- a) Commission Delegated Regulation No .../..of 12.3.2014 supplementing Directive (EU) No 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the classes of instruments that adequately reflect the credit quality of an institution as a going concern and are appropriate to be used for the purposes of variable remuneration (see doc. 7856/14 EF 83 ECOFIN 269 DELACT 74)
- b) Commission Delegated Regulation (EU) No .../.. of 12.3.2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for non-delta risk of options in the standardised market risk approach (see doc. 7863/14 EF 85 ECOFIN 271 DELACT 75 + ADD1 + ADD2)
- c) Commission Delegated Regulation (EU) No .../.. of 12.3.2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for determining what constitutes the close correspondence between the value of an institution's covered bonds and the value of the institution's assets (see doc. 7865/14 EF 86 ECOFIN 272 DELACT 77)
- d) Commission Delegated Regulation (EU) No .../.. of 12.3.2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for assessing the materiality of extensions and changes of the Internal Ratings Based Approach and the Advanced Measurement Approach (see doc. 7866/14 EF 87 ECOFIN 273 DELACT 78 + ADD 1)
- e) Commission Delegated Regulation (EU) No .../..of 12.3.2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards specifying the information that competent authorities of home and host Member States supply to one another (see doc. 7867/14 EF 88 ECOFIN 274 DELACT 79)

- f) Commission Delegated Regulation (EU) No .../.. of 13.3.2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council by way of regulatory technical standards specifying the requirements for investor, sponsor, original lenders and originator institutions relating to exposures to transferred credit risk (see doc. 7868/14 EF 89 ECOFIN 275 DELACT 80)
- g) Commission Delegated Regulation (EU) No .../..of 12.3.2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards further defining material exposures and thresholds for internal approaches to specific risk in the trading book (see doc. 7870/14 EF 90 ECOFIN 276 DELACT 81)
- h) Commission Delegated Regulation (EU) No .../..of 12.3.2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the definition of market (see doc. 7871/14 EF 91 ECOFIN 277 DELACT 82)
- i) Commission Delegated Regulation (EU) No .../..of 12.3.2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for determining proxy spread and limited smaller portfolios for credit valuation adjustment risk (see doc. 7873/14 EF 92 ECOFIN 278 DELACT 83)
- j) Commission Delegated Regulation (EU) No .../..of 4.3.2014 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards with respect to qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile (see doc. 7463/14 EF 78 ECOFIN 240 DELACT 51)

2. According to Article 13 of Regulation (EU) No 1093/2010, the Council could object to these delegated acts within a period of one month.

3. By a written request of the European Parliament in accordance with, where applicable, Article 463 of Regulation (EU) No 575/2013 or Article 149 of Directive No. 2013/36/EU, the scrutiny period as regards the abovementioned delegated acts has been extended:
 - till 12 May 2014 for the delegated acts listed in points 1(a) to (i) of this note; and
 - till 4 May for the delegated act referred to in point 1(j) of this note.

4. Since adoption by the Commission of the abovementioned delegated acts **no delegation indicated an intention to object to any of these delegated acts**, with the exception of:
 - a) **DE, who indicated their intention to object to the delegated act referred to in point 1(d) of this note** (doc. 7866/14 EF 87 ECOFIN 273 DELACT 78);
 - b) **the UK, who indicated their abstention from a decision on the delegated act referred to in point 1(j) of this note** (doc. 7463/14 EF 78 ECOFIN 240 DELACT 51).

5. It is therefore suggested that the Committee of Permanent Representatives (Part 2):
 - **regarding the delegated act referred to in point 1(j) of this note**, let the deadline of 4 May 2014 elapse; and
 - **regarding the delegated acts listed in point 1(a) to (i) of this note**, recommend the Council to confirm its intention not to object to those delegated acts, and that the Commission and the European Parliament are informed thereof.
