

## List of references to the Basel frameworks

The questionnaire is aimed at assessing equivalence with respect to the provisions of the Capital Requirements Regulations (CRR) and the Capital Requirements Directive (CRD). Besides the relevant articles of the CRR or CRD which are stated in the questionnaire for ease of reference (and since the CRR/CRD are de facto the implementation of the Basel III framework in the EU that incorporate previous Basel II provisions) we would like to provide you with this Annex which also quotes for the majority of legal references the corresponding paragraph of the relevant Basel II and/or Basel III framework. However, it must be clear that the EBA's mandate by the European Commission is to assess equivalence only against the EU CRR and CRD.

Basel II framework: <http://www.bis.org/publ/bcbs128.pdf>

Basel III framework: <http://www.bis.org/publ/bcbs189.pdf>

<b>Part I – Prudential Supervision</b>			
<b>4) Supervisory Review Process</b>			
<b>4.1</b>	The provisions on ICAAP are set out in Article 73 of the CRD.	Article 73 of the CRD	Para. 719-727 Basel II
<b>4.2</b>	Governance arrangements and remuneration policies are covered in Articles 74, 75, 92, 94 and 95 of the CRD and in Articles 88, 91 and 96 of the CRD,	Articles 77-87 of the CRD	Para. 732-760 Basel II
	while the treatment of risks is laid down in Article 77-87 of the CRD.  Particular attention should be paid to Article 76 of the CRD, where it is stated that Member States should ensure that the management body of institutions devote sufficient time to the consideration of risk issues and should be actively involved in the management of all material risks. In addition, this article requires institutions to have an independent risk management function with sufficient authority, statute, resources and access to the management body.	Article 76 of the CRD	Para. 728 Basel II
<b>4.3</b>	The SREP provisions are defined in Articles 97-107 and 110 of the CRD.	Articles 97-107 and 110 CRD	Para. 748-756 Basel II
<b>Part II – Prudential regulatory requirements</b>			
<b>6) Own funds</b>			
<b>6.1</b>	The general provisions in terms of eligible capital are defined in Articles 25, 71 and 72 of the CRR, while quantitative requirements are defined in Article 92 of the CRR. The Basel III framework sets out capital requirements in para. 49-50.	Articles 25, 71, 72 and 92 of the CRR	Para. 49-50 Basel III
<b>6.2</b>	Article 26 of the CRR defines the items that can be computed in CET1, while Article 28 of the CRR defines the respective qualifying conditions. The respective provisions for mutual and cooperative societies are laid	Articles 26-29 and 31	Para. 52-53 Basel III

	down in Articles 27 and 29 of the CRR. Instruments subscribed by public authorities in emergency situations that may qualify as CET1 are defined in Article 31 of the CRR.	of the CRR	
<b>6.3</b>	Provisions for prudential filters are the ones in Articles 32-35 of the CRR and in para. 71-72 (Cash Flow Hedge reserve), para. 74 (gain on sale of securitised assets), and para. 75 (changes in own credit risk or fair value liabilities) of the Basel III framework.	Articles 32-35 of the CRR	Para. 71-72, 74-75 Basel III
<b>6.4</b>	Provisions for deductions from CET1 Capital can be found in Articles 36-47 of the CRR and in para.67-70, 73, 76-77 and 79-89 of the Basel III framework.	Articles 36-47 of the CRR	Para.67-70, 73, 76-77 and 79-89 Basel III
<b>6.5</b>	Provisions for AT1 capital are stated in Articles 51-55 and 61 of the CRR and in para. 54-56 of the Basel III framework, while deductions are detailed in Articles 56-60 CRR. Please note that AT1 instrument usually cannot be called or redeemed before 5 years; however, Articles 77-78 of the CRR details when supervisory permission may allow an instruction to call or redeem such instruments before that term.	Articles 51-61 and 77-78 of the CRR	Para. 54-56 of the Basel III
<b>6.6</b>	Provisions for Tier 2 capital are stated in Articles 62-65 and 71 of the CRR and in para. 57-58 of the Basel III framework, while deductions are detailed in Articles 66-70 of the CRR.	Articles 62-71 of the CRR	Para. 57-58 Basel III and for deductions 78, 80, 81 and 84
<b>6.8</b>	“Minority interest” is defined in Article 4 (120) of the CRR and the relative provisions are laid down in Articles 81-84 of the CRR and in para. 62-65 Basel III.	Articles 4 (120) and 81-84 of the CRR	Para. 62-65 Basel III.
	<b>7) Capital Requirements - General Requirements, Valuation and Reporting</b>		
<b>7.1</b>	The types of risk covered by the EU framework are specified in Article 92(3) of the CRR and para. 44 of the Basel II framework.	Article 92(3) CRR	Para. 44 of the Basel II
	<b>8) Capital Requirements for credit risk</b>		
<b>8.1</b>	For General Principles for credit risk refer to Articles 107-110 of the CRR and to para. 50-52 and 211 of the Basel II framework.	Articles 107-110 of the CRR	Para. 50-52 and 211 Basel II
<b>8.2</b>	The provisions for the Standardized Approach for credit risk are laid down in Articles 111-141 of the CRR. References to specific areas are as follows. <ul style="list-style-type: none"> <li>- Exposure classes: Article 112 of the CRR; and in para. 53-89 of the Basel II framework</li> <li>- Risk weights: Articles 113-134 of the CRR; and in para. 53-89 of the Basel II framework</li> <li>- Exposure value: Article 111 of the CRR; and in para. 50; 210 of the Basel II framework</li> <li>- External ratings: Articles 135-138 of the CRR; and in para. 90-91 of the Basel II framework.</li> </ul>	Articles 111-141 of the CRR	Para. 50-210 Basel II
		Article 112 of the CRR	Para. 53-89 Basel II
		Articles 113-134 of the CRR	Para. 53-89 Basel II
		Article 111 of the CRR	Para 50 and 210 Basel II
		Articles	Para. 90-91

		135-138 of the CRR	Basel II
<b>8.3</b>	<p>The provisions for the Internal Ratings Based (IRB) Approach for credit risk are laid down in Articles 142-191 of the CRR and para. 211-537 of the Basel II framework. A more detailed references are as follows:</p> <ul style="list-style-type: none"> <li>- Exposure classes: Article 147 of the CRR, and para. 215-243 of the Basel II framework</li> <li>- Calculation of risk weighted exposure amounts: Articles 151-157 of the CRR, and para.211-379 of the Basel II framework</li> <li>- Risk components [PD, LGD, EAD, M]: Articles 160-168 of the CRR</li> <li>- Requirements for the IRB models: Articles 142-150, 169-191 of the CRR</li> <li>- Definition of default: Article 178 of the CRR; and para. 459 of the Basel II framework</li> </ul>	Articles 142-191 of the CRR	Para. 211-537 Basel II
		Article 147	Para. 215-243 Basel II
		Articles 151-157 of the CRR	Para. 211-379 Basel II
		Articles 160-168 of the CRR	Para. 285-286 Basel II
		Articles 142-150 and 169-191 of the CRR	Para. 387-537 Basel II
		Article 178 of the CRR	Para. 459 Basel- II
	<b>9) Credit risk mitigation (CRM)</b>		
<b>9.1</b>	The general provisions for CRM are specified in Articles 192 and 194 of the CRR.	Articles 192 and 194 of the CRR	Para. 109-120 Basel II
	<b>10) Securitisation</b>		
<b>10.1</b>	Provisions for securitisation are laid down in Articles 242-270 of the CRR; and in para. 538-643 of the Basel II framework.	Articles 242-270 of the CRR	Para. 538-643 Basel II
	<b>11) Counterparty credit risk</b>		
<b>11.1</b>	The basic definitions for CCR are laid down in Articles 271-272 of the CRR, and in Annex 4 of the Basel II framework.	Articles 271-272 of the CRR	Annex 4 Basel II
<b>11.2</b>	The different methods are described in Articles 274-285 of the CRR and in Annex 4 (V)-(VII) of the Basel II framework.	Articles 274-285 of the CRR	Annex 4 (V)-(VII) Basel II
<b>11.3</b>	Requirements for contractual netting agreements are specified in Articles 295-296 of the CRR.	Articles 295-296 of the CRR	Para. 98-99 Basel III
<b>11.4</b>	<p>Please refer to the following articles in the CRR:</p> <ul style="list-style-type: none"> <li>• (EAD) Calculation: Article 284 of the CRR</li> </ul>	Article 284 of	Para. 20-24 of Annex 4 Basel II

	<ul style="list-style-type: none"> <li>Wrong-way risk: Article 291 of the CRR</li> <li>CCP: Articles 300-311 of the CRR</li> <li>AVC: Article 142 (1) (4) of the CRR</li> </ul>	the CRR	
		Article 291 of the CRR	Para. 57-58 of Annex 4 Basel II
		Articles 300 -311 of the CRR	Para. 113 Basel III
		Article 142 (1) (4) of the CRR	Para. 272 Basel II
	<b>12) Own funds requirement for operational risk</b>		
<b>12.1-4</b>	The provisions for operational risk are laid down in Articles 312-324 of the CRR and in para. 644-683 of the Basel II framework.	Articles 312-324 of the CRR	Para. 644-683 Basel II
	<b>13) Own funds requirement for market risk, settlement risk and Credit Valuation Adjustment (CVA) risk</b>		
<b>13.1</b>	Provisions for own funds requirements stemming from market risk are laid down in Articles 325-386 of the CRR.	Articles 325-386 of the CRR	Para. 683 <sub>i</sub> - 718 <sub>XCIX</sub> Basel II
<b>13.2</b>	See Article 325 (1) of the CRR for the overall approach to offsetting within a group and Article 325 (2-3) of the CRR for the conditions under which such offsetting is allowed.	Article 325 (1)-(3) of the CRR	Para. 683 <sub>v</sub> Basel II
<b>13.3</b>	See Articles 326-333 of the CRR and para. 683 (i) – 708(iii) of the Basel II framework.	Articles 326-333 of the CRR	Para. 683(i) – 708 (iii) Basel II
<b>13.4</b>	Specific regulatory references can be found as follows: <ul style="list-style-type: none"> <li>Debt positions: Articles 334-340 of the CRR; and para. 709-717 of the Basel II framework</li> <li>Foreign exchange risk: Articles 351-354 of the CRR; and para. 718<sub>XXX</sub>-718<sub>XLII</sub> of the Basel II framework</li> <li>Equities: Articles 341-344 of the CRR; and para. 718<sub>XIX</sub>-718<sub>XXIX</sub> of the Basel II framework</li> <li>Commodities: Articles 355-361 of the CRR; and para. 718<sub>XLIII</sub>-718<sub>LV</sub> of the Basel II framework</li> </ul>	Articles 334-340 of the CRR	Para. 709-717 Basel II
		Articles 351-354 of the CRR	Para. 718 <sub>XXX</sub> -718 <sub>XLII</sub> Basel II
		Articles 341-344 of the CRR	Para. 718 <sub>XIX</sub> -718 <sub>XXIX</sub> Basel II
		Articles 355-361 of the CRR	Para. 718 <sub>XLIII</sub> -718 <sub>LV</sub> Basel II
<b>13.5</b>	Articles 362-377 of the CRR and para. 718 <sub>LXX</sub> -718 <sub>XCIX</sub> of the Basel II	Articles	Para. 718 <sub>LXX</sub> -

	framework.	362-377 of the CRR	718 <sup>xciX</sup> Basel II
<b>13.6</b>	See Articles 372-376 of the CRR. ( <i>Incremental Risk Charge</i> )	Articles 372-376 of the CRR	Para. 145 Basel III
<b>13.7</b>	Settlement risk is defined in Article 378-380, while CVA risk provisions are laid out in Articles 381-386 of the CRR.	Article 378-386 of the CRR	Para. 97-105 of Annex 4 Basel II
<b>13.8</b>	See Article 383 of the CRR (Advanced method) and Article 384 of the CRR (Standardised method).	Articles 383-384 of the CRR	Para. 97-105 of Annex 4 Basel II
	<b>14) Large exposure</b>		
<b>14.2</b>	The reporting requirements are specified in Articles 392 and 394 of the CRR.	Articles 392 and 394 of the CRR	Para. 770-777 <sup>xiv</sup> Basel II
<b>14.3</b>	<p>The calculation of the exposure value is specified in Article 390 of the CRR.</p> <p>The use of credit risk mitigation techniques for large exposure purposes is specified in Articles 399, 401, 402 and 403 of the CRR.</p> <p>The treatment of exposures on the trading book for large exposure purposes is specified in Articles 395(5) and 397 of the CRR.</p> <p>The exemptions to the application of the large exposure limits according to Article 395 (1) of the CRR are specified in Article 400 of the CRR.</p>	<p>Article 390 of the CRR.</p> <p>Articles 399, 401, 402 and 403 of the CRR.</p> <p>Articles 395(5) and 397 of the CRR.</p> <p>Article 395 (1) and Article 400 of the CRR.</p>	Para. 770-777 <sup>xiv</sup> Basel II
	<b>15) Exposure to transferred credit risk</b>		
<b>15.1</b>	Transfer risk provisions are laid down in Articles 404-410 of the CRR and in para. 786 Basel II.	Articles 404-410 of the CRR	Para. 786 Basel II
	<b>16) Liquidity</b>		
<b>16.2</b>	<p>The main provisions for liquidity reporting are laid down in Articles 411-428 of the CRR. A general short-term LCR requirement is established by Article 412 of the CRR. The detailed LCR rules are determined by the Commission Delegated Act 2015/61.</p> <p>The general longer term stable funding requirement is fixed by Article 413 of the CRR which applies from 1.1.2016. Detailed rules on a net stable funding requirement would require to be set by a Commission legislative proposal under Article 510(3) of the CRR.</p>	Articles 411-428 and Article 510 (3) of the CRR	Para. 34-46 Basel III

	<b>17) Leverage</b>		
<b>17.1</b>	Details of the Leverage ratio formulas and reporting are laid down in Articles 429-430 of the CRR. It is to be noted that Article 429 of the CRR has been amended by means of Delegated Regulation 2015/62 on the leverage ratio <a href="http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2015:011:TOC">http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=OJ:L:2015:011:TOC</a>	Articles 429-430 of the CRR	Para. 151-166 Basel III
	<b>18) Capital buffers</b>		
<b>18.1</b>	Capital buffers are defined in Article 128-142 CRD.	Articles 128-142 of the CRD	Para. 122-150 Basel III
	<b>19) Macro-prudential tools</b>		
<b>19.1</b>	Provisions on macro-prudential tools are laid down in Articles 458-459 of the CRR.	Articles 458-459 of the CRR	Para. 32-33 Basel III
	<b>20) Transitional provisions</b>		
<b>20.1</b>	See Articles 465-473 and 492-500 of the CRR.	Articles 465-473 and 492-500 of the CRR	Transitional arrangements are at the end of several sections of Basel II/III
<b>20.2</b>	See Articles 474-491 of the CRR.	Articles 474-491 of the CRR	Para. 94-96 Basel III
	<b>21) Disclosure by institutions</b>		
<b>21.1</b>	Provisions on disclosure are laid down in Articles 431-455 of the CRR and in para. 808-826 of the Basel II framework.	Articles 431-455 of the CRR	Para. 808-826 Basel II
<b>21.2</b>	See Articles 431-455 of the CRR and para. 808-826 of the Basel II framework.	Articles 431-455 of the CRR	Para. 808-826 Basel II