Prudential requirements for credit institutions and investment firms: exemptions for commodity dealers

2015/0295(COD) - 21/03/2016 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic and Monetary Affairs adopted the report by Sander LOONES (ECR, BE) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards exemptions for commodity dealers.

The committee recommended that the European Parliament adopt its position at first reading, **taking over the Commission proposal**.

To recall, the proposed Regulation aims to extend the exemptions laid down in the CRR for commodity dealers from the large exposures and own funds requirements and accordingly, amend Regulation 575/2013.

The prudential framework applicable to investment firms (including commodity dealers) laid down in the CRR and Directive 2013/36/EC ('the Capital Requirements Directive') is currently under review.

However, it is highly improbable that any legislation that may result from this review can be prepared, adopted and applied before the current exemptions expire (31 December 2017).

This situation could force them to significantly increase the amount of own funds that they need to have in order to continue their activities and could therefore increase the related costs of performing those activities.

In order to prevent this situation from arising, the Commission considered it necessary to extend the existing exemptions laid down in the CRR and that account should be taken of the amount of time that will be necessary to conclude the investment firms review and to prepare, adopt and apply any legislation that may result from that review.