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

2015/0295(COD) - 08/06/2016 - Final act

PURPOSE: to extend the period during which commodity dealers are exempted from certain requirements laid down in Regulation (EU) nº 575/2013 on capital requirements (the 'Capital Requirements Regulation' or 'CRR').

LEGISLATIVE ACT: Regulation (EU) 2016/1014 of the European Parliament and of the Council amending Regulation (EU) No 575/2013 as regards exemptions for commodity dealers.

CONTENT: this Regulation amends Regulation (EU) nº 575/2013 in order to **extend the exemptions** laid down in the CRR for **commodity dealers** from the large exposures and own funds requirements. These exemptions apply until **31 December 2020** or the date of entry into force of any amendments, whichever is the earlier.

To recall, Regulation (EU) nº 575/2013 of the European Parliament and of the Council exempt commodity dealers from large exposures requirements and from own funds requirements respectively. Both exemptions expire on 31 December 2017.

The prudential framework applicable to investment firms (including commodity dealers) is currently under review. The results will determine the appropriate prudential treatment of commodity dealers. The finalisation of the review and the adoption of new legislation that may be required in light of that review will be concluded only after 31 December 2017.

A decision to apply the requirements for large exposures and own funds requirements to commodity dealers should be a thoroughly reasoned one, based on conclusions of the investment firms review, and should be clearly expressed in legislation.

ENTRY INTO FORCE: 19.7.2016.