

Comments

Market risks – own funds requirements (delegated act)

Lobby Register No R001459

EU Transparency Register No 52646912360-95

Contact:

Juergen Affeld

Telephone: +49 228 509-448

Telefax: +49 228 509- 412

E-mail: j.affeld@bvr.de

Bonn, 19 May 2026

The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public-sector banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks.

Coordinator:

National Association of German
Cooperative Banks

Schellingstraße 4 | 10785 Berlin | Germany

Telephone: +49 30 2021-0

Telefax: +49 30 2021-1900

<https://die-dk.de/>

Lobby Register No R001459

EU Transparency Register No 52646912360-95

Comments Market risks – own funds requirements (delegated act)

General comments:

We are grateful for the opportunity to provide feedback on the draft text of the Delegated Regulation. We would urge that consideration be given at an early stage to the period following the expiry of the three-year transition period. It is already clear that, as these temporary relief measures come to an end, structural and legal issues will once again surface, for example in relation to the boundary between the trading book and the banking book and its impact on capital requirements, or with regard to possible subsequent arrangements for the temporary relief measures granted here. The rules implemented after the end of the transitional period should be drafted at an early stage during this period and should be permanent, legally sound and, above all, unambiguous. The insights gained during the transitional phase should take into account the actual international implementation of the FRTB. The subsequent rules should permanently resolve current discussed issues regarding the trading book/banking book boundary, for example by returning to trading intent as the leading criterion for the boundary. Given the temporary nature of the proposed relief measures, we also urge that the implementation of all temporary measures should be made optional. Otherwise, the relief measures risk turning into a net burden due to their high implementation costs.

The consultation on the ITS on supervisory reporting (simplification package) – EBA/CP/2026/07, Module 6 – calls for the reporting of ‘fully loaded ratios’ as a memorandum item, deducting various transitional provisions (for example, under ‘Memorandum Items: Capital ratios without application of any transitional provisions’, in particular “0390 Fully loaded CET1 Capital ratio”). We would like to emphasise that the temporary concessions granted here should under no circumstances be interpreted as transitional provisions within the meaning of these Memorandum Items – otherwise there is a risk of significant additional work arising from the need to carry out parallel calculations using different methods. We would also like clarification that all institutions – including those that use the Alternative Standardised Approach (ASA) or the Simplified Standardised Approach (SSA) from 1 January 2027 without an institution-specific factor – will continue to be able to apply the existing rules on trading book allocation (as well as the rules on reclassifications and internal risk transfers). Otherwise, there is a risk of inconsistency and corresponding unequal treatment in the calculation of own funds for large banks (Article 495v effectively grants them an option to retain the existing boundary) and smaller banks (which would then be subject to the new boundary). A change at this stage would, in view of non-European standards and the anticipated operational burden associated with initial implementation and ongoing maintenance, run counter to the concept of a level playing field, the principle of proportionality and current European simplification initiatives for smaller banks. See also our comment on Article 495v in this regard.

Comments on the content of the regulation:

Article 495o: Transitional provisions on own funds requirements for positions in CIUs under the alternative standardised approach

We expressly welcome the simplifications for look-through provisions set out in the draft Delegated Act (in particular the option of partial look-through of at least 50%) for the Alternative Standardised Approach (ASA) and the Alternative Internal Model Approach (AIMA). In our view, however, there is a regulatory inconsistency, as no comparable relief is provided for the Simplified Standard Approach (SSA). We suggest that appropriate relief measures be introduced for SSA institutions, or that these be taken into account in the upcoming review of the CRR.

Comments Market risks – own funds requirements (delegated act)

Article 495u: Transitional provisions on the derogation for small trading book business institutions

We expressly welcome the transitional arrangement set out in Article 495u for institutions with a small trading book. The provision takes appropriate account of the circumstance that certain institutions – in particular smaller and regionally active credit institutions – exceed the thresholds set out in Article 325a of the CRR not as a result of their own trading activities, but primarily due to foreign exchange or commodity trading risks arising from the banking book.

That these institutions may continue to apply the simplified standardised approach to the relevant non-trading book positions until 31 December 2029 represents a targeted and proportionate relief measure and avoids a de facto obligation to implement complex FRTB standardised approaches, which would be disproportionate to the actual trading activity of these institutions. In this context, we recommend that this temporary relief be incorporated in the CRR on a permanent basis.

Article 495v: Transitional provisions on the application of a multiplier to own funds requirements for market risk

We explicitly welcome the provision proposed in Article 495v for continued calibration and application of the multiplier to the trading book boundary in accordance with the regulations to date. This transitional provision plays a key role in ensuring a level international playing field and is also highly significant, both in practical and operational terms, for the institutions concerned. We would like to highlight, in particular, that Article 495v allows institutions to limit, in a targeted manner, any disadvantages to capital arising from initial application of the FRTB framework, without having to immediately and fully switch to the new trading book boundary in accordance with CRR III. This is particularly valuable in light of the fact that, in the past, the new boundary rules proved to be associated with significant interpretation, boundary and implementation problems during institution-specific implementation. The option of continued access to the tried and tested bank book/trading book boundary in accordance with the legal framework to date is an expedient and proportional instrument for avoiding disproportionate capital increases and supporting an orderly transition to the new market risk regime. Nevertheless, to avoid excessive operational complexity and the parallel application of different boundary concepts, this boundary should apply equally to the determination of FRTB own funds requirements prior to the multiplier, reporting and public disclosure during the transitional period. Consequently, the CRR III provisions on trading book assignment and the CRR II provisions on reclassification and related approval and Internal Risk Transfers (Articles 104, 104a, 106 CRR III) should not apply in this period. Current reporting and disclosure requirements should remain in effect. This approach is consistent with the rationale set out in recital 18 of the draft Delegated Act, which explicitly refers to avoiding multiple boundary concepts within the same institution. We therefore recommend clarifying the non-application of the CRR III trading book boundary requirements during the transitional period, for example via an EBA comfort letter, and ensuring consistent supervisory treatment across institutions.