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European Union

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| From:            | Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director |
| date of receipt: | 28 October 2021   |
| To:              | Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union |

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|----------------|--|
| No. Cion doc.: | COM(2021) 664 final  |
| Subject:       | ANNEX to the Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor |

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Delegations will find attached document COM(2021) 664 final.

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Encl.: COM(2021) 664 final



Brussels, 27.10.2021  
COM(2021) 664 final

ANNEX

**ANNEX**

**to the**

**Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE  
COUNCIL**

**amending Regulation (EU) No 575/2013 on prudential requirements for credit  
institutions as regards requirements for credit risk, credit valuation adjustment risk,  
operational risk, market risk and the output floor**

## ANNEX

### Classification of Off-Balance Sheet Items

| Bucket | Items   |
|--------|---|
| 1      | <ul style="list-style-type: none"><li>• General guarantees of indebtedness, including standby letters of credit serving as financial guarantees for loans and securities, and acceptances, including endorsements with the character of acceptances, as well as [any] other direct credit substitutes;</li><li>• Sale and repurchase agreements and asset sales with recourse where the credit risk remains with the institution;</li><li>• Securities lent by the institution or securities posted by the institution as collateral, including instances where these arise out of repo-style transactions;</li><li>• Forward asset purchases, forward deposits and partly paid shares and securities, which represent commitments with certain drawdown;</li><li>• Off-balance sheet items constituting a credit substitute where not explicitly included in any other category.</li><li>• Other off-balance sheet items carrying similar risk and as communicated to EBA.</li></ul> |
| 2      | <ul style="list-style-type: none"><li>• Note issuance facilities (NIFs) and revolving underwriting facilities (RUFs) regardless of the maturity of the underlying facility;</li><li>• Performance bonds, bid bonds, warranties and standby letters of credit related to particular transactions and similar transaction-related contingent items;</li><li>• Off-balance sheet items not constituting a credit substitute where not explicitly included in any other category.</li><li>• Other off-balance sheet items carrying similar risk, as communicated to EBA.</li></ul>  |
| 3      | <ul style="list-style-type: none"><li>• Commitments, regardless of the maturity of the underlying facility, unless they fall under another category;</li><li>• Other off-balance sheet items carrying similar risk, as communicated to EBA.</li></ul>   |
| 4      | <ul style="list-style-type: none"><li>• Short-term, self-liquidating trade letters of credit arising from the movement of goods, in particular documentary credits collateralised by the underlying shipment, in case of an issuing institution or a confirming institution;</li><li>• Other off-balance sheet items carrying similar risk, as communicated to EBA.</li></ul>   |
| 5      | <ul style="list-style-type: none"><li>• Unconditionally cancellable commitments;</li><li>• The undrawn amount of retail credit lines for which the terms permit the institution to cancel them to the full extent allowable under consumer protection and related legislation;</li><li>• Undrawn credit facilities for tender and performance guarantees which may be cancelled unconditionally at any time without prior notice, or that do effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness;</li><li>• Other off-balance sheet items carrying similar risk, as communicated to EBA.</li></ul>   |