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From:	Mr Olivier GUERSENT, Director General
date of receipt:	11 April 2018
To:	Mr Vladislav GORANOV, Minister of Finance of Bulgaria
No. Cion doc.:	C(2018) 2105 final
Subject:	COMMISSION DECISION of 6.4.2018 not to propose an implementing act to reject the proposed national measure notified on 13 February 2018 by France under Article 458(4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council

Delegations will find attached document C(2018) 2105 final and the accompanying letter from Mr Olivier GUERSENT, Director General to Mr Vladislav GORANOV, Minister of Finance of Bulgaria.

Encl.: C(2018) 2105 final

EUROPEAN COMMISSION
Directorate-General for Financial Stability, Financial Services and Capital Markets Union

Director General

Brussels, 10 AVR. 2018
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Mr Vladislav Goranov
Minister of Finance of Bulgaria
Presidency of the Ecofin Council
Rue de la Loi 175
1048 Brussels
Belgium

Subject: Commission Decision not to propose an implementing act to reject the proposed national measure notified on 13 February 2018 by France under Article 458(4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council

Dear Mr Goranov,

I would like to inform you of the Decision taken by the European Commission in respect of the notification by France on 13 February 2018 regarding a proposed national macro-prudential measure under Article 458(4) of Regulation (EU) No 575/2013 (CRR hereafter).

Following an assessment by the Commission services of the required conditions for the adoption of measures under Article 458 of the CRR, the Commission has adopted a Decision in which it has decided not to propose an implementing act under Article 458(4) to reject the proposed national macro-prudential measure. The underlying reasons are set out in the Commission Decision which you will find in annex to this letter.

Yours sincerely,

Olivier GUERSENT

Encl.: Commission Decision not to propose an implementing act to reject the proposed national measure notified on 13 February 2018 by France under Article 458(4) of Regulation (EU) No 575/2013

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EUROPEAN
COMMISSION

Brussels, 6.4.2018
C(2018) 2105 final

COMMISSION DECISION

of 6.4.2018

not to propose an implementing act to reject the proposed national measure notified on 13 February 2018 by France under Article 458(4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council

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not to propose an implementing act to reject the proposed national measure notified on 13 February 2018 by France under Article 458(4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012[1], and in particular Article 458 thereof,

Having regard to the opinions of the European Systemic Risk Board[2] and the European Banking Authority[3],

Whereas:

(1) On 13 February 2018, the Haut Conseil de stabilité financière (HCSF), which is the national designated authority in charge of the application of Article 458 of Regulation (EU) No 575/2013, notified the Commission of its intention to impose a national measure as referred to in Article 458 of that Regulation. The proposed measure falls under Article 458(2)(d)(ii) of Regulation (EU) No 575/2013 which refers to stricter national measures concerning requirements for large exposures laid down in Article 392 and Article 395 to 403 of that Regulation. The proposed measure would apply as of 1 July 2018 with no phasing-in and for a period of two years.

(2) The proposed measure would tighten the large exposure limit set out in Article 395(1) from 25% to 5% for exposures of systemically important credit institutions to large and highly indebted non-financial corporations that are established in France.[4] The risk targeted by the measure relates to the high and increasing indebtedness of non-

[1] OJ L 176, 27.6.2013, p.1.

[2] Opinion of the European Systemic Risk Board of 9 March 2018 regarding French notification of a stricter national measure based on Article 458 of Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms (ESRB/2018/3).

[3] Opinion of the European Banking Authority on the proposed national measures of France intends to adopt in accordance with Article 458 Regulation (EU) No 575/2013 of 14 March 2018 (EBA/Op/2018/02).

[4] The qualification of a non-financial corporation as "large" is indirect, and relates to the size of a systemically important institution's exposure to it. It does not directly relate to the non-financial corporation's balance sheet size or other metrics such as turnover. At the end of September 2017, 109 companies met this criterion, as reported by the impacted credit institutions.

financial corporations and to the concentration risk of systemically important credit institutions' exposure to those highly indebted non-financial corporations.

(3) According to Article 458(4) of Regulation (EU) No 575/2013, the European Banking Authority (EBA) and the European Systemic Risk Board (ESRB) must provide their opinions on the proposed national measure within one month of receiving a notification pursuant to paragraph 2 of that Article. On 9 March 2018, the ESRB adopted its opinion on the proposed measure. The opinion from EBA was adopted on 14 March 2018. Both opinions do not object to the proposed measure.

(4) The macro-prudential risk identified by the HCSF relates to the already high level of indebtedness of non-financial corporations, which is further increasing. The HCSF has noted that the observed cyclical acceleration of credit growth in France, referred to as the financial cycle, and the low interest rate risk environment, contribute to that risk. The indebtedness of non-financial corporations relative to GDP has continuously increased in France since 2005. Contrary to other euro area Member States, France has not experienced a stabilisation or a decrease in the ratio of non-financial corporations' debt-to-GDP.[5] Between the end of 2010 and the second quarter of 2017, the ratio of non-financial corporations' debt-to-GDP in France increased by 11.5 percentage points, whereas it decreased by 1.7 percentage points in the euro area, exceeding the latter by 7 percentage points. According to the HCSF, the growth in non-financial corporations' debt has mainly been driven by large non-financial corporations, in particular the most indebted ones.

(5) Total outstanding loans to non-financial corporations by systemically important credit institutions in France, as described in Article 131 of Directive 2013/36/EU of the European Parliament and of the Council,[6] grew by more than 30% between 2014 and 2017. Loans to non-financial corporations accounted for approximately 11% of those credit institutions' balance sheets on average. Furthermore, those credit institutions’ business plans suggest that sustained new lending to non-financial corporations can be expected over the coming years.

(6) The HCSF is of the opinion that the identified risk is a macro-prudential or systemic risk that poses a threat to the financial stability at national level. That risk assessment is corroborated by the recent analysis of the International Monetary Fund (IMF), which called on authorities to remain vigilant with respect to a continued rise in non-financial corporations' indebtedness.[7] The European Central Bank (ECB) equally is of the opinion that the high levels of private sector debt, of which the debt of non-financial corporations makes up the biggest component, can have significant adverse effects on future economic outcomes.[8]

(7) The HCSF is also of the opinion that a continued growth in the indebtedness of non-financial corporations makes those corporations vulnerable to a risk of rising

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5 ECB Economic Bulletin (June 2017 issue).

6 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

7 September 2017 IMF Country Report for France and Article IV mission report on France.

8 See Issue 4 of the ECB’s 2017 Economic Bulletin.

borrowing rates and abrupt repricing of risk *premia*. A significant portion of credit institutions' loans to non-financial corporations is extended at variable rates, implying that an increase in borrowing rates would have a direct and immediate impact on the repayment capacity of non-financial corporations. That could lead to second round effects as credit institutions may tighten credit conditions, which would in turn have negative consequences on the real economy. Furthermore, the HCSF is of the opinion that write-downs on the debt securities issued by non-financial corporations could have a substantial negative impact on the solvency position of credit institutions that have large exposures to those non-financial corporations. Finally, the HCSF identified a trend in the non-financial corporations sector towards financing investments, such as mergers and acquisitions through borrowing.[9] The HCSF has noted that the default rate for leveraged buyout operations financed by French credit institutions remains below the Banking Union average, but has also noted that the default rate is sensitive to a turnaround and notes that a large portion of loans are set to mature in 2018/2019.

(8) After having assessed the evidence provided by the HCSF, the positive opinions of the ESRB and EBA and concerns raised by IMF and ECB regarding vulnerabilities linked to indebtedness of non-financial corporations and their potential transmission channels, the Commission considers that there is sufficient evidence of an increase in the intensity of macro-prudential risk justifying the implementation of a macro-prudential measure.

(9) The proposed measure consists in tightening the limit for exposures of French systemically important credit institutions to large and highly indebted non-financial corporations that have their registered office in France to 5% of credit institutions' eligible capital (down from the 25% limit laid down in Article 395 of Regulation (EU) No 575/2013).[10] For the purposes of the proposed measure, the stricter limit would apply to all exposures and counterparties, which meet certain criteria.

(10) The first criterion is that exposures as defined in Article 389 of Regulation (EU) No 575/2013 would have to be equal to or higher than EUR 300 million, before taking into account the effect of credit risk mitigation techniques and exemptions. The supervisory reporting obligations for these exposures larger than or equal to EUR 300 million are set out in Article 9 of the Commission Implementing Regulation (EU) No 680/2014.[11] That threshold would allow for the monitoring of the application of the measure, without imposing additional reporting requirements, while ensuring at the same time that the measure has no adverse impact on small and medium-sized enterprises.

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9 Figures provided by the French authorities show that the investment rate of non-financial corporations (which is the ratio of investment to value added) has increased sharply since 2012, standing at 22% in 2016, the highest rate for over 30 years.

10 The proposed measure follows an earlier initiative introduced in France in 2009. The Autorité de contrôle prudentiel et de resolution (formerly the Commission Bancaire) issued a recommendation that reduced the large exposures limit a credit institution may have to a client or group of connected clients, after taking into account the effect of the credit risk mitigation in accordance with Articles 399 to 403 of Regulation (EU) No 575/2013, from 25% to 10% of eligible capital.

11 The large exposures limit encompasses all the credit institutions’ exposures to non-financial corporations, taking into account both on-balance sheet and off-balance sheet activities. This is necessary to capture the overall credit risk as non-financial corporations often rely on sources of financing other than bank borrowing, such as market-based finance.

(11) The second criterion is that it would apply to exposures which are held by systemically important institutions at the highest level of consolidation of the banking prudential perimeter, i.e. the six credit institutions identified in accordance with Article 131 of Directive 2013/36/EU as Other Systemically Important Institutions or Global Systemically Important Institutions[12]. In France, those systemically important credit institutions account for 95% of the non-financial corporation loan market of all French credit institutions and are more prone to cause contagion in the event of default. According to the HCSF, the remaining credit institutions that are not targeted by the proposed measure have different business models than the systemic institutions and primarily target the financing of small and medium sized enterprises rather than large non-financial corporations.

(12) The third criterion applies to the counterparties. For non-financial corporations established in France, the exposure amount would be calculated as the sum of the exposures towards the non-financial corporations and all their subsidiaries (domestic and foreign). According to the description provided by the HCSF, that would correspond to the exposures to the entire group of connected clients as defined in Article 4(1)(39) of Regulation (EU) No 575/2013. For non-financial corporations established in France but belonging to a foreign group, exposures would be calculated as the sum of the exposures to non-financial corporations established in France at the highest level of consolidation. According to the description provided by the HCSF, that would correspond to the exposures to a subset of the group of connected clients as defined in Article 4(1)(39) of Regulation (EU) No 575/2013. Meanwhile, exposures to non-financial corporations that are not established in France and are neither a subsidiary nor a parent of a French registered non-financial corporation would not fall under the scope of the measure.

(13) The fourth criterion is that the measure would apply where the ultimate parent company of a non-financial corporation breaches the thresholds for the two below indicators. Both indicators are calculated at the highest level of consolidation, depending on where the non-financial corporations's parent company is established:[13]

- The leverage ratio, defined as total financial debt less outstanding liquid assets as a share of total equity, is higher than 100%.

- The interest coverage ratio, defined as the ratio of earnings before interest and taxes to interest expenses, is lower than three.

(14) Credit institutions would be responsible for calculating the two indebtedness indicators and requesting the appropriate information from their counterparties. The HCSF would prepare guidelines and specifications for that computation and make them available to the credit institutions concerned. While the HCSF has suggested that the measure would entail no additional reporting requirements, EBA pointed to potential

[12] At the end of 2017: BNP Paribas, Groupe Crédit Agricole, Société Générale, Groupe BPCE, Groupe Crédit Mutuel and La Banque Postale.

[13] The number of large non-financial corporations that have breached both thresholds has varied between 30 and 40 in the past few years. The indicators used to assess the indebtedness of a non-financial corporation, namely the leverage ratio and the interest coverage ratio, take into account the entire debt of a non-financial corporation, including borrowing from foreign credit institutions and market-based financing.

difficulties in determining the level of consolidation, and hence the scope of the measure, in case non-financial corporations belong to non-resident parent companies. That may complicate the calculation of the indebtedness indicators and, consequently, the ability to ensure compliance with the measure. EBA therefore expects guidance from the HCSF to fully clarify the calculation modalities, in particular because the HCSF would consider the thresholds to be breached if no information on the indicators can be provided.

(15) The Common Equity Tier 1 ratio of the targeted credit institutions at the end of 2017 ranged between 12% and 16%. A recent stress test by the French authorities (Autorité de contrôle prudentiel et de résolution) included an adverse scenario with an acceleration of non-financial corporations' debt and suggested that the banking and insurance sectors would be resilient to such a shock. The main objective of the proposed measure is hence forward-looking in order to maintain the existing resilience of French systemically important credit institutions to defaults of their exposures to highly indebted non-financial corporations . The aim is to prevent a build-up of a concentration risk from the French banking system to highly indebted non-financial corporations. At the same time, the HCSF seeks to send a signal to all financial institutions and investors regarding the risks posed by highly indebted non-financial corporations.

(16) The proposed exposure threshold of 5% of the eligible capital of the credit institutions would at this stage not have a direct impact, given that the exposures to the targeted non-financial corporations currently fall into a range of 1% to 4% of individual credit institutions' eligible capital. A limit of 3% would currently only cover one non-financial corporation.

(17) The HCSF calibrated the measure on the basis of an impact analysis considering different exposure thresholds. The calibration has two objectives, namely to maintain the resilience of systemic credit institutions on the one hand and to prevent the build-up of unsustainable indebtedness of non-financial corporations on the other hand. The HCSF is of the opinion that the calibrated threshold is sufficiently low to prevent excessive exposures of credit institutions without leading to a sharp reduction of credit institutions' exposures to non-financial corporations and thus avoiding unwarranted deleveraging and thereby entailing significant costs for the real economy. The HCSF would regularly review the calibration and appropriateness of the measure and revise it, including by considering lower thresholds, when warranted by circumstances.

(18) The Commission has considered the suitability, effectiveness and proportionality of the draft measure in accordance with Article 458(2)(e) of Regulation (EU) No 575/2013. The measure is suitable and effective, as it will allow preserving the resilience of systemically important credit institutions to the default of highly-indebted non-financial corporations. The Commission also favourably views the signalling effect of the measure, as it raises the awareness of financial markets and economic agents as regards the risk posed by the high indebtedness of non-financial corporations. Such greater awareness by financial market participants should help preventing debt levels of large non-financial corporations from rising to unsustainable levels that could in the end affect financial stability. The measure is proportionate, given that its design and calibration do not go beyond what is necessary to address the identified systemic risk. In particular, the measure primarily constitutes a ceiling that would neither have an immediate effect on non-financial corporations nor on

systemically important credit institutions. The targeted nature of the proposed measure implies that non-financial corporations that are not over-indebted would not be affected by any lending restrictions, hereby avoiding an adverse effect on the real economy. The measure entails no additional reporting requirements for non-financial corporations, even though complications may arise in identifying the perimeter of the entities belonging to a group of connected clients, as that perimeter would depend on where a non-financial corporation's parent company is established. In addition, the threshold set for the value of exposures (higher or equal to EUR 300 million) would ensure that loans to small and medium-sized enterprises would not be affected.

(19) Given the stress test outcome and the arguments and evidence put forward by the HCSF and giving careful consideration to the opinions provided by the ESRB and EBA, and given the forward-looking and signalling nature of the proposed measure, the Commission considers that the measure is suitable, effective and proportionate in view of addressing the identified systemic risk.

(20) The Commission notes that the proposed measure does not directly address non-financial corporations' increased indebtedness on financial markets. Large non-financial corporations have better access to capital markets than small and medium-sized enterprises, with almost 90% of the total corporate debt securities in France being issued by large corporates. As pointed out by the ESRB, the fact that some of the targeted credit institutions are part of financial conglomerates entails the risk that some non-financial corporations could shift their financing sources from banking entities to insurance entities within the same group. In response to those concerns, the HCSF has argued that the proposed measure would address the over-indebtedness of non-financial corporations indirectly by considering all balance sheet/off-balance sheet exposures, including market debt exposures of credit institutions. Meanwhile, the debt indicators that have to be computed by credit institutions when assessing whether the indebtedness of non-financial corporations exceeds the thresholds specified by the relevant criterion of the proposed measure, are calculated on the basis of the entire debt of non-financial corporations (including market debt financing). The HCSF has also pointed to the expected signalling effect of the measure on the risks linked to indebtedness of non-financial corporations. The Commission considers that those possible indirect effects would however be limited and not necessarily sufficient to address the issue of over-indebtedness of non-financial corporations.

(21) The Commission supports the suggestion from EBA and the ESRB to accompany the proposed measure by other measures aiming at addressing over-indebtedness of non-financial corporations through market funding, which is the growing part of the indebtedness of the targeted sector. Authorities could for instance envisage enhancing communication and public disclosure requirements, or introduce stress tests and guidelines.

(22) The Commission has assessed the justifications provided by the HCSF as regards the adequacy and relative effectiveness of alternative instruments listed in Article 458(2)(c) of Regulation (EU) No 575/2013, namely Articles 124 and 164 of that Regulation and Articles 101, 103, 104, 105, 133, and 136 of Directive 2013/36/EU.

(23) Higher risk weights for credit institutions using the standardised approach (Article 124 of Regulation (EU) No 575/2013), and higher loss given default floors for credit

institutions using internal models (Article 164 of Regulation (EU) No 575/2013) are considered by the HCSF to be out of scope, as they are addressing risks in the real estate market, whereas the proposed measure directly addresses the risk from systemically important institutions' exposures to highly-indebted non-financial corporations. Articles 124 and 164 of Regulation (EU) No 575/2013 therefore appear not adequate to address the identified systemic risk.

(24) Concerning measures under Articles 101, 103, 104, and 105 of Directive 2013/36/EU, the HCSF has argued that, under Regulation (EU) No 1024/2013, the ECB is the competent authority for their application to French systemically important credit institutions, and that those provisions are hence not designed as macro-prudential tools. A reasoning solely based on governance matters should not be taken as sufficient justification for why those articles are not adequate in addressing the identified risk when assessing measures notified in accordance with Article 458 of Regulation (EU) No 575/2013. The use of those Articles is however not appropriate for other reasons.

(25) Article 101 of Directive 2013/36/EU relates to the ongoing review of the permission to use internal models by competent authorities. The HCSF has argued that that Article is not be applicable because the latest review of internal ratings based credit risk models concluded that the credit institutions under consideration comply with all the requirements of Regulation (EU) No 575/2013, that there appears to be no evidence of a breach of that Regulation and that existing models are based on valid historical data. There would therefore be no reason for revising credit institutions' internal models. Instead a preventive approach as regards the build-up of exposures towards highly-indebted non-financial corporations should be taken. Providing an assessment of the appropriateness of internal ratings based models is beyond the scope of this Decision. Changing internal models in line with that Article would not be mandatory and have a lesser signalling effect than the proposed measure, which would be published and communicated.

(26) A competent authority that determines that credit institutions with similar risk profiles are or might be exposed to similar risk or pose similar risks to the financial system may, under Article 103 of Directive 2013/36/EU, apply the supervisory review and evaluation process to those institutions in a similar or identical manner. Article 104 of Directive 2013/36/EU provides the competent authority a set of supervisory powers in the application of Article 103 of that Directive. The HCSF has put forward arguments why Articles 103 and 104 of Directive 2013/36/EU (jointly referred to as "Pillar 2" measures by the HCSF) cannot adequately address the risk identified. First, capital requirements imposed by the national competent authority or the ECB based on those Articles would be based on an individual assessment of, and apply to, individual credit institutions established in France, unlike the proposed measure. Second, the publication of a macro-prudential measure taken would have a beneficial signalling effect, while the publication of Pillar 2 measures would not be mandatory, thereby failing to provide a signal. Third, capital requirements introduced by the national competent authority or the ECB based on those Articles would apply to all exposures, while the risk identified is limited to a specific segment of those exposures. The HCSF has signalled that it did not plan to publish the list of non-financial corporations concerned by the measure to avoid possible stigma effects.

(27) Article 105 of Directive 2013/36/EU allows competent authorities to impose specific liquidity requirements if that is deemed necessary to capture liquidity risks to which an institution is or might be exposed. The systemic risk the HCSF aims to tackle with the proposed measure is not linked to credit institutions' liquidity risk. Hence, Article 105 of that Directive is not suitable to address the identified risk.

(28) Under Article 133 of Directive 2013/36/EU, Member States may introduce a systemic risk buffer to address long-term non-cyclical systemic or macro-prudential risks not covered by Regulation (EU) No 575/2013. The HCSF has considered that the use of a systemic risk buffer would not be adequate because the identified risk is of a cyclical nature, while the systemic risk buffer should be used to prevent long-term, non-cyclical risk. The HCSF has further noted that the systemic risk buffer is not designed to be applied to specific exposures, would apply to all (or domestic) exposures and would therefore not be adequate to address the identified risk in a targeted way, namely by targeting only the sector in which vulnerabilities have been identified. The Commission agrees that Article 133 of Directive 2013/36/EU would not be adequate in addressing the identified risk.

(29) Under Article 136 of Directive 2013/36/EU, Member States may introduce a countercyclical buffer to address macro-prudential risks of a cyclical nature related to developments in the overall credit volume. The HCSF has argued that the countercyclical capital buffer would apply to all domestic non-financial exposures and not exclusively to exposures to highly indebted non-financial corporations. Furthermore, the countercyclical buffer would be applicable to the entire domestic banking system and cannot be narrowed down to a subset of institutions, such as systemically important credit institutions, as is the case with the proposed measure. As such, the HCSF has considered that Article 136 of Directive 2013/36/EU would not target the identified risk appropriately and would not be as effective and proportionate in addressing the risks identified. The use of the countercyclical capital buffer may however be considered as a complement to the proposed measure, given the acceleration of the financial cycle in France noted by the HCSF. The Commission agrees with the HCSF that Article 136 of Directive 2013/36/EU would be relatively less effective in adequately addressing the identified macro-prudential risk.

(30) After carefully considering the favourable opinions of the ESRB and the EBA, the Commission concludes that the alternative measures to be considered in accordance with Article 458(2)(c) of Regulation (EU) No 575/2013 cannot adequately address the systemic risk identified, taking into account their relative effectiveness.

(31) As part of the notification, the HCSF has requested the ESRB to recommend the reciprocation of the proposed measure by other Member States in accordance with Recommendation ESRB/2015/2.[14] The HCSF will propose an institution-level materiality threshold to be applied when reciprocating the measure, as well as guidelines to facilitate its implementation.

(32) Regarding the cross-border effect of the proposed measure and its likely impact on the internal market, the HCSF has considered that by strengthening the resilience of the

[14] Recommendation of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures.

French banking sector against shocks from the large French non-financial corporations, the measure would also reduce the risk of contagion to other Member States.

(33) Non-financial corporations targeted by the measure could source their financing from credit institutions falling outside the scope of the measure. Union credit institutions operating in France through branches and cross-border lending are estimated to account for around 18% of bank lending to non-financial corporations in France. Given that no non-financial corporation would currently be impacted by the measure, they would have limited incentives to seek borrowing cross-border from other Union credit institutions. The Commission considers that an increase in cross-border borrowing, including as a result of the proposed measure, would entail a diversification of sources of funding that may contribute to a more granular distribution of risks and thereby to enhancing financial stability. That assessment is also in line with the ESRB and EBA opinions, according to which the proposed measure would not entail a disproportionate adverse effect for the internal market or other national financial systems.

(34) The Commission, after taking utmost account of the opinions of the ESRB and EBA, concludes that in the light of the preventive and signalling effect of the proposed measure, adverse effects on the internal market should be negligible. Possible adverse effects would be outweighed by the financial stability benefits of the proposed measure. The Commission nevertheless notes the importance for the macro-prudential authorities to closely monitor the development of indebtedness of non-financial corporations in France.

HAS DECIDED AS FOLLOWS:

Sole Article

The Commission does not propose to the Council an implementing act to reject the proposed national measure notified on 13 February 2018 by France in accordance with Article 458(4) of Regulation (EU) No 575/2013 of the European Parliament and of the Council.

Done at Brussels, 6.4.2018

For the Commission
Valdis Dombrovskis
Vice-President