

THE
NATIONAL LAW REVIEW

Provisional Political Agreement Reached on CRR II Regulation and CRD V Directive

Friday, December 7, 2018

On December 4, the European Parliament published a press release announcing that it reached provisional political agreement with the Council of the European Union on the proposed revisions to the Capital Requirements Regulation (CRR), or CRR II, and to the Capital Requirements Directive (CRD) IV, or CRD V. The European Parliament also published a separate press release setting out the details of the agreement.

The latter press release highlights amendments made to the proposals relating to, among other things:

- In the spirit of proportionality, simplified requirements for banks that are “small and non-complex institutions,” particularly in relation to reporting;
- The binding three percent leverage ratio and an additional 50 percent buffer for global systematically important institutions;
- Refined Net Stable Funding Ratio rules for ascertaining whether an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions; and
- The extension of reduced capital requirements for small and medium enterprise exposures beyond €2.5 million;

The European Parliament states that the plenary will have to officially adopt the agreement and that the vote should take place early in 2019.

The European Parliament press releases are available [here](#) and [here](#).

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