

MFSA

MALTA FINANCIAL SERVICES AUTHORITY

Circular addressed to the financial services industry regarding the Commission Delegated Regulation (EU) No 342/2014 of the 21 January 2014 supplementing Directive 2002/87/EC of the European Parliament and of the Council and Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the application of the calculation methods of capital adequacy requirements for financial conglomerates. (“the Regulation”)

On the 21st January 2014, the European Union published the Regulation to supplement Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council (“the Directive”) and 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 (“the CRR Regulation”).

The Regulation specifies the technical principles and technical calculation methods listed in Annex I to the Directive for the purposes of the alternatives to deduction referred to in Article 49(1) of the CRR Regulation and for the purposes of calculating own funds and supplementary capital adequacy requirements as provided for in Article 6(2) of the Directive. The technical principles and technical calculation methods listed in Annex I to the Directive have been transposed in the First Schedule to the Financial Conglomerates Regulations (Legal Notice 182 of 2013, as amended).

Communications Unit

Malta Financial Services Authority

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