OVERVIEW

No. RADAR
4499

Responsible level
Germany

Competent authority
BaFin – Federal Financial Supervisory Authority

Standard designation
Circular 10/2021 (BA) - Minimum requirements for risk management - MaRiskRepeal with effect from 29 June 2023

Title of Standard
Circular 10/2021 (BA) - Minimum Requirements for Risk Management - MaRisk (Circular 10/2021 (BA) - Minimum Requirements for Risk Management - MaRisk)Repeal with effect from June 29, 2023

Abbreviation (standard)
Circular 10/2021 (BA)

Short Title
Circular 10/2021 (BA)

Abbreviation (standard)
MaRisk, 6th MaRisk amendment

Abbreviation
MaRisk, 6th

Implementation status of the standard
lifted

Industry relevance
Banking industry

category
01. Banking and banking supervisory law

Document type
Notice/Circular

Management Summary
This circular sets out the minimum requirements for risk management (MaRisk) based on the *Circular 09/2017 (BA) (5th MaRisk amendment, data set 1925)* from 2017 revised.

The focus of this 6th MaRisk amendment is the implementation of European regulations in risk management, with the following adjustments being made in particular with regard to EBA guidelines:

- The adjustments to MaRisk to implement the *EBA Guidelines on the management of non-performing and forborne exposures (EBA/GL/2018/06, Dataset 2895)* are carried out in particular in sections AT 4.2 and BTO 1.2. Institutions with a non-performing loan ratio of 5% or more (high-NPL institutions) develop a strategy for non-performing risk positions in order to reduce them over a defined time horizon. They must meet more extensive requirements regarding the design of the risk control function, organizational structure, and reporting. Furthermore, the amendment to the MaRisk formulates new, comprehensive requirements regarding forbearance (concessions to borrowers in financial difficulty). These requirements are directed at all institutions and specify, among other things, requirements regarding processes, data collection systems, as well as impairments, write-downs, and collateral valuations.

- To implement the *EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02, Dataset 3141)* Changes will be made to Section 9 that affect the entire outsourcing cycle.

- The implementation of the emergency management requirements according to the *EBA Guidelines on the management of ICT and security risks (EBA/GL/2019/04, Dataset 3410)* This is done particularly in the revised section AT 7.3. The risk analyses to be carried out for time-critical activities and processes as well as the requirements for emergency concepts are specified.

Further adjustments result from supervisory practice and affect, among other things, the areas of operational risks, trading activities, liquidity and risk-bearing capacity. The term "information network", which is also used for the revised *Circular 10/2017 (BA)* (*Banking supervisory requirements for IT, BAIT, data set 4500*) is of essential importance, is introduced in Section AT 7.2 of the MaRisk.

Management Summary

The present circular contains a new version of the Minimum Requirements for Risk Management (MaRisk), based on *Circular 09/2017 (BA) (data set 1925)*. The key changes result from implementing European provisions concerning risk management, in particular by the following adjustments made in regard to EBA Guidelines:

- The adjustments of the MaRisk in AT 4.2 and BTO 1.2 serve to implement the *EBA guidelines on management of non-performing and forborne exposures (EBA/GL/2018/06, data set 2895)*. Institutions with gross NPL (non-performing loan) ratios at a level of 5% or above should establish an NPE strategy, which aims at reducing the relevant portfolio over a defined time horizon. They also have to meet more extensive requirements concerning the risk control function, organizational aspects and reporting. In addition, new comprehensive requirements on forbearance (concessions to non-performing borrowers) are included, which are directed at all institutions and specify requirements eg for processes, data recording systems, impairment losses, write-downs and collateral valuation.

- The implementation of the *EBA Guidelines on Outsourcing Arrangements (EBA/GL/2019/02, Dataset 3141*) requires amendments to section AT 9 MaRisk, which cover the entire outsourcing cycle.

- The requirements of the *EBA Guidelines on ICT and security risk management (EBA/GL/2019/04, Dataset 3410)* are particular implemented in the revised AT 7.3, eg by specifying the risk analyzes to be performed for time-critical activities and processes as well as the requirements for response and recovery plans.

Further adjustments result from experiences acquired by the supervisory bodies in their supervisory activities and relate to operational risks, trading, liquidity and internal capital adequacy. The notion information network, which is essential for the *Supervisory Requirements for IT in Financial Institutions (Circular 10/2017 (BA), data set 4500)*, is introduced in section AT 7.2. MaRisk.

CONTENTS

Main content

A. Overview
I. AT 1 Preliminary remark
II. AT 2 Scope
III. AT 4 General requirements for risk management
IV. AT 5 Organizational Guidelines
V. AT 7 Resources
VI. AT 9 Outsourcing
VII. BTO requirements for the organizational structure and processes
VIII. BTR Requirements for risk management and controlling processes
IX. BT 3 Risk reporting requirements

B. Essential content

In the following, only those sections of the Minimum Requirements for Risk Management (MaRisk) are explained in which, compared to the previous version,*(Circular 09/2017 (BA), 5th MaRisk amendment, data set 1925)* significant changes are made.

I. AT 1 Preliminary remark

In paragraph 6, the definition of systemically important institution is replaced by the term significant institution within the meaning of Article 6 of the *Regulation (EU) No 1024/2013 (SSM Regulation, dataset 815).* The reference to Sections 10f and 10g of the German Banking Act (KWG) is therefore no longer applicable.

II. AT 2 Scope

1. AT 2.1 User group

Some requirements of the circular are directed only at institutions with a high volume of non-performing loans (NPLs). According to the explanations in section 1, these are institutions whose NPL ratio is 5% or more at the individual or group level. The ratio is calculated based on gross carrying amounts and the definition of non-performing exposures (NPEs) in the supervisory reporting system (see source for details).

Paragraph 2 is based on the terminology of *Securities Institutions Act (WpIG) (in data set 4441)* and includes large investment firms within the meaning of Section 2 Paragraph 18 of the German Securities Trading Act (WpIG) in the group of users of the MaRisk.

2. AT 2.3 Businesses

The term "trading transaction" in paragraph 3 refers to financial instruments within the meaning of Section 1 (11) of the German Banking Act (KWG). Cryptocurrencies are explicitly included in the scope of application.

III. AT 4 General requirements for risk management

1. AT 4.1 Risk-bearing capacity

The MaRisk regulations on risk-bearing capacity will be adapted to the revised *Guide to supervisory*

*Assessment of bank-internal risk-bearing capacity concepts and their procedural integration into overall bank management (ICCAP, data set 2595)*adjusted.
The introduction clarifies that when excluding non-material risks, the totality of these non-material risks must also be considered. When developing risk-bearing capacity concepts, both a normative and an economic perspective must be taken into account. Details on the design of the concepts can be found in the aforementioned guideline (Section 2).

In addition, strategies must be defined in accordance with paragraph 3, taking risk-bearing capacity into account. Reference to annual financial statement figures is omitted.

2. AT 4.2 Strategies

The assumptions regarding the future development of the factors relevant to the business strategy must be reviewed at least annually (and as needed) (Section 1).

Institutions with high levels of NPLs must develop an NPE strategy. The goal is to reduce NPEs over a realistic but ambitious period. To achieve this, the operating environment (e.g., scale, causes, operational capacities) and external conditions (e.g., market situation, legal framework) must first be assessed in the form of a self-assessment. The competent authority must be informed of the results of the self-assessment. The impact on capital must also be considered. Short-term (approximately one year), medium-term (approximately three years), and long-term targets for reducing NPEs are then developed. An implementation plan outlines the intended implementation of the strategy at the operational level for at least one to three years. Progress in implementing the implementation plan must be reviewed quarterly; significant deviations must be reported to management. The competent authority will also be informed of any significant deviations and any corresponding remedial measures (for details, see Source, Section 3).

3. AT 4.3.2 Risk management and controlling processes

With regard to the retention of data, BaFin expects, among other things, that institutions retain data on collateral and its relationship to the underlying transactions (para. 1).

4. AT 4.3.4 Data management, data quality and aggregation of risk data

In the explanation to paragraph 1, BaFin clarifies that the principle of proportionality also applies to the requirements for significant institutions with regard to data management, data quality and aggregation of risk data (see source for details).

5. AT 4.4.1 Risk controlling function

According to the explanations in section 2, the tasks of the risk controlling function at institutions with high NPL levels also include monitoring and measuring NPE-related risks and the progress in reducing these risks. This is done using specific NPE-related key performance indicators (KPIs) (see source for details).

With regard to the principle of proportionality for significant institutions with regard to the exclusive exercise of the risk controlling function, BaFin refers in the explanations to paragraph 5 to the*EBA Guidelines on internal governance (EBA/GL/2017/11, Dataset 2184).*

6. AT 4.4.2 Compliance function

According to the explanations in section 4, the independent compliance unit to be established by significant institutions may also include other compliance-related areas such as WpHG compliance, the money laundering officer, the information security officer or data protection.

With regard to proportionality, BaFin refers to the EBA guidelines on internal governance.

The activity reports of the compliance function may also be forwarded to a committee established by the supervisory body instead of to the supervisory body, provided this is the agreed practice (see source paragraph 7 for details).

IV. AT 5 Organizational Guidelines

According to Section 3 f), the outsourcing regulations in the organizational guidelines must include all outsourcing arrangements, not just significant outsourcing arrangements as previously. The key phases of an outsourcing arrangement, as well as the principles, responsibilities, and processes, must be considered. These regulations are intended to ensure that the outsourcing company adheres to the institution's values and code of conduct.

V. AT 7 Resources

1. AT 7.2 Technical and organizational equipment

In Section 2, the data security requirements are extended to the entire information network. This includes, for example, IT systems and the associated IT processes, as well as business-relevant information, business and support processes, as well as network and building infrastructures.

2. AT 7.3 Emergency Management

The specifications are used to implement the*EBA Guidelines on the management of ICT and security risks (EBA/GL/2019/04, Dataset 3410)*have been revised and provide for the implementation of an emergency management process in accordance with paragraph 1. Regulations for the regular review of the emergency plan have been moved to paragraph 3; requirements for outsourcing are now contained in paragraph 2.

Institutions must ensure that their business continuity plan is up to date. Furthermore, it must be reported to management at least quarterly. According to the amended definition, activities and processes are considered time-critical if their disruption for a specific period of time would result in unacceptable damage. Time-critical activities and processes and associated resources must be identified using impact and risk analyses based on a corresponding overview (e.g., a process map) (see source for details).

The emergency plan must at least take into account the specified emergency scenarios (failure of a location, IT systems or communication infrastructure, a critical number of employees or service providers) (for details see source section 2).

According to Section 3, the effectiveness and adequacy of the emergency plan for time-critical activities and processes must be reviewed at least annually. The review should include, for example, tests of technical precautionary measures as well as alert, emergency, or full-scale drills (see source for details).

VI. AT 9 Outsourcing

The specifications for outsourcing are passed on to the*EBA Guidelines on outsourcing arrangements (EBA/GL/2019/02, Dataset 3141)*adjusted. Regulations on outsourcing within groups and within the group are summarized centrally (new paragraph 14).

In the explanations to paragraph 1, the examples of other external procurement of services that are not considered outsourcing within the meaning of this circular are supplemented by, among other things, the use of publicly available data from market information services (e.g. rating agencies) and global payment and messaging infrastructures (see source for details).

The results of the risk analysis to be prepared in accordance with Section 2 must be incorporated into outsourcing and risk management. The examples of aspects to be included in the risk analysis are supplemented in the explanatory notes (e.g., political risks, conflicts of interest, costs). Furthermore, it must be considered whether outsourcing is material to the institution's process landscape. A scenario analysis may be required, with different scenarios being used depending on the size and complexity of the institution (see source for details).
In connection with the outsourcing of activities and processes, BaFin points out in the explanations to paragraph 4, among other things, that in the case of companies domiciled in a third country, supervision and appropriate cooperation of the competent authorities must be ensured where necessary (see source for details).

The requirement that non-material subsidiaries may only fully outsource the risk controlling function, the compliance function, or internal audit to the parent institution has been removed. This allows for the complete outsourcing of these functions to companies within the same group of institutions under certain conditions (paragraph 5).
The requirements in Section 7 regarding the content of outsourcing agreements for material outsourcing arrangements are expanded (e.g., applicable law, locations, implementation and review of emergency plans, code of conduct). The information and audit rights that must exist for internal audit, external auditors, and the competent authorities according to Section 7 h) and i) also include access, entry, and access rights. Other security requirements should also be agreed upon for outsourcing arrangements not identified as material; compliance with them must be continuously monitored (see source for details).

The risks associated with outsourcing must be managed and monitored for all outsourcing arrangements in accordance with Section 9. For significant outsourcing arrangements, the performance of the outsourcing company must also be continuously monitored.

With regard to the audit officer, BaFin clarifies in the explanations to paragraph 10 that he or she must report directly to the management.

According to the explanations in section 11, further outsourcing must also be assessed in terms of its materiality as part of the risk analysis. Limited monitoring options may need to be considered for outsourcing chains.
Institutions that outsource must appoint a central outsourcing officer within the institution, who may be supported by a central outsourcing management team. This function must be assigned to an organizational unit that reports directly to the management. In smaller, less complex institutions, this function can be performed by a member of the management. The function of the outsourcing officer and the management of the central outsourcing management may be performed by the same person (Section 12).

With regard to the reporting obligation, BaFin points out that for small, less complex institutions, reporting during management board meetings is sufficient (paragraph 13).

Institutions must create an outsourcing register containing information on all outsourcing agreements (including those within a group or network). Regarding the content requirements for such a register, BaFin refers to paragraphs 54 and 55 of the EBA Guidelines (paragraph 14) (see source for details).

The newly added paragraph 15 centralizes the relief for outsourcing within groups and financial associations and incorporates it into the fixed requirements of the MaRisk. This allows for the establishment of central outsourcing management at the group or association level, the creation of centralized preliminary evaluations for risk reporting, and the establishment of a central outsourcing register (see source for details).

VII. BTO requirements for the organizational structure and processes

1. BTO 1.2 Requirements for processes in credit business

The changes to the credit process requirements result from the implementation of the *EBA Guidelines on the management of non-performing and forborne exposures (EBA/GL/2018/06, Dataset 2895)*The provisions in the case of concessions to the lender due to financial difficulties (forbearance) are summarized in the new section 1.3.2 (see below).

According to paragraph 2, institutions must review their collateral valuation procedures at least annually and obtain management approval prior to initial application or in the event of significant changes. An exception applies to valuation procedures that are generally recognized and standardized (e.g., based on the German Mortgage Lending Value Regulation, BelWertV).
The valuation of real estate collateral must be performed by internal or external qualified and expert persons who are not involved in loan processing and lending. If necessary, separation from loan processing on a case-by-case basis is sufficient. Furthermore, conflicts of interest should be excluded, and experts should be rotated at least after the second consecutive valuation (see Source, Section 3 for details).

According to paragraph 4, the assessment of external experts must be verified by the institute.

2. BTO 1.2.4 Intensive care

If an engagement is assigned to intensive care, measures such as close monitoring or debt restructuring measures must be taken as soon as the person transitions to intensive care, with the aim of returning the person to normal care (for details see source point 2).

3. BTO 1.2.5 Treatment of problem loans

Regarding the criteria for transferring exposures to problem loan processing, BaFin clarifies that indicators for classification as an NPE must also be taken into account (see source for details). Institutions with a high NPL portfolio should establish a specialized NPE resolution unit. This unit must be appropriate to the size, type, complexity, and risk profile of the institution and must be fundamentally separate from the lending process (see source for details, section 1).

If an exposure is transferred to restructuring or liquidation, the value of the collateral must be reviewed or, if necessary, reassessed based on realization considerations. The review, which must be conducted at least annually, must be conducted conservatively (see source section 2 for details).
If rescue acquisitions are planned, a policy must be implemented. This policy must describe the acquisition process, the intended holding period, and procedures for the valuation and review of the acquired collateral (see Source Section 8 for details).
Deadlines for the treatment of secured and unsecured NPEs must be established to ensure a timely reduction of NPEs with inadequate risk provisions. The corresponding assessment must be based on regulatory requirements (see Source Section 9 for details).

4. BTO 1.2.6 Risk provision

The collateral values must also be reviewed for the purpose of determining risk provisions in accordance with paragraph 1. Furthermore, the procedures for determining risk provisions must be regularly reviewed using backtesting (paragraph 3).

5. BTO 1.3.2 Treatment of forbearance

This section will be newly included in the MaRisk.

Exposures in which concessions were made in favor of a borrower must be taken into account when determining the criteria for transition to intensive loan management or problem loan processing. Regarding the definition of forbearance, reference is made to the supervisory reporting system (Section 1).

Institutions must establish a policy that, among other things, regulates the procedure for granting forbearance measures and lists the available forbearance measures. Standardization at the portfolio level is generally possible (see Source Section 2 for details).

Forborne exposures must be classified into non-performing and non-performing forborne exposures based on appropriate criteria and – if necessary, taking into account an appropriate recovery period – reclassified after analyzing the borrower's financial circumstances. BaFin specifies criteria for classifying a forborne exposure as non-performing (e.g., inappropriate payment schedule, disproportionately high derecognized receivable). If the receivable is to be treated as non-performing, any resulting impact on the debtor's other risk exposures must be considered (for details, see Source, Section 3).

Collateral provided may not be taken into account when assessing the borrower's financial difficulties (for details see source paragraph 4).

Forbearance measures must be examined for their sustainability. Short-term measures should last a maximum of two years. BaFin provides a non-exhaustive list of factors that should be considered when assessing sustainability (e.g., repayment and debt service capacity, demonstrably temporary application, no likelihood of repeated application) (for details, see Source Section 5).

The process for granting the measures and their efficiency must be adequately monitored. Possible metrics for monitoring include recovery rates, payment collection rates, and partial write-offs (Section 6) (see source for details).

6. BTO 2.2.1 Trade

In paragraph 3, the requirements for transactions concluded off-premises have been adjusted. Written or electronic confirmation from the counterparty is now only required for transactions that are not directly recorded in the bank's settlement systems. The manager must be informed of transactions conducted off-premises no later than the following business day.

7. BTO 2.2.2 Processing and Control

The explanations on the transaction confirmation procedure clarify that the lack of response (silence) within an agreed period can be regarded as a counter-confirmation if this has been agreed in a framework agreement (for details see source point 2).

The exemption from market fairness control permitted under paragraph 5 for trading transactions executed on a stock exchange or other organized market explicitly does not apply to organized trading facilities (OTFs) (see source for details).

VIII. BTR Requirements for risk management and controlling processes

1. BTR 1 Counterparty default risks

The deadline for the procedurally compliant follow-up of issuer limits provided at short notice pursuant to paragraph 4 is shortened insofar as this must be completed within three months. This does not apply if the corresponding securities remain with the institution for no longer than three months. For new issues, the process to be initiated immediately after the counterparty becomes known (see source for details).

2. BTR 3.2 Additional requirements for capital market-oriented institutions
When considering stress scenarios to determine the liquidity buffer to be maintained, a distinction is made between financial sector companies (including central banks outside the euro area) and other professional market participants in the non-financial sector with regard to a possible withdrawal of unsecured refinancing funds by institutional investors. For financial sector companies, a complete withdrawal of refinancing funds within the first week must always be assumed (paragraph 3).

3. BTR 4 Operational Risks
In connection with the recording of loss events, BaFin clarifies in the explanations to paragraph 3 that loss events that can be attributed to the same event must be processed in an aggregated manner as collective losses.
According to the newly added paragraph 4, the key characteristics of operational risks must be captured when assessing them. Historical insights and potential events must be taken into account. In particular, insights into current vulnerabilities from internal auditing, IT security management, compliance, adaptation processes, and emergency and outsourcing management should serve as a basis.

IX. BT 3 Risk reporting requirements BT 3.2 Reports of the Risk Controlling Function
Institutions with high NPL levels must separately present non-performing and forborne risk positions in their risk reports and, where applicable, also explain the development of assets resulting from rescue acquisitions (paragraph 3).

CATEGORIZATION

Keywords

Risk management, institutions with high NPL portfolio, high-NPL institution, non-performing loan, NPL, risk-bearing capacity, non-performing risk position, NPE, risk controlling, compliance unit, compliance function, contingency plan, contingency management, outsourcing, risk analysis, outsourcing agreement, outsourcing company, central outsourcing officer, valuation, real estate security, intensive support, NPE settlement unit, forbearance, forborne risk position, confirmation procedure, institutional investor, operational risk, risk report, trading business, liquidity, information network, risk management, organizational guidelines, large investment firm, significant institution, strategy, risk controlling function, data security, data quality, data management, risk data, proportionality, code of conduct, outsourcing register, trading, outsourcing, credit process, collateral valuation, problem loan, risk provision, counterparty default risk, liquidity buffer

Legal and information bases

- Circular 05/2023 (BA) (Data record 5763)
- Circular 10/2017 (BA) - Banking Supervisory Requirements for IT (BAIT) (Dataset 4500)
- Securities Institutions Act (WpIG) (in data set 4441)

- Guidelines for the management of ICT and security risks (EBA/GL/2019/04) (Dataset 3410)
- Guidelines on outsourcing arrangements (EBA/GL/2019/02) (Dataset 3141)
- Guidelines on the management of non-performing and forborne exposures (EBA/GL/2018/06) (Dataset 2895)
- Guidelines for the supervisory assessment of bank-internal risk-bearing capacity concepts and their procedural integration into overall bank management (ICAAP) (data set 2595)
- Guidelines on internal governance (EBA/GL/2017/11) (Dataset 2184)
- Circular 09/2017 (BA) - Minimum Requirements for Risk Management - MaRisk (5th MaRisk Amendment) (Dataset 1925)
- Regulation (EU) No 1024/2013 (SSM Regulation) (Dataset 815)
- Banking Act (KWG)
- Mortgage Value Assessment Ordinance (BelWertV)

Related Standards

- Circular 05/2023 (BA) (Record 5763)
- Supervisory Requirements for IT in Financial Institutions (Circular 10/2017 (BA)) (data record 4500)
- Guidelines on ICT and security risk management (EBA/GL/2019/04) (Dataset 3410)
- Guidelines on Outsourcing Arrangements (EBA/GL/2019/02) (Dataset 3141)
- Guidelines on management of non-performing and forborne exposures (EBA/GL/2018/06) (data set 2895)
- Circular 09/2017 (BA) - Minimum Requirements for Risk Management - MaRisk (Dataset 1925)
- German Banking Act

Target group – credit institutions
Yes

Target group – financial services institutions
Yes

Target group – Other companies in the financial sector
Yes

Target group – payment institutions
No

Target group – insurance companies
No

Target group – supplement

This circular continues to address all institutions within the meaning of Section 1 (1b) of the German Banking Act (KWG) or Section 53 (1) of the German Banking Act (KWG), as well as branches of German institutions abroad. The requirements in Module AT 4.5 (Risk Management at Group Level) must be observed by parent companies or parent financial conglomerate companies of a group of institutions, a financial holding group, or a financial conglomerate at the group level.

Financial services institutions and large investment firms must comply with this circular in a manner appropriate to the size of their institution and the nature, scope, complexity, and risk content of their business activities. This applies in particular to modules AT 3 (Overall Responsibility of Management), AT 5 (Organizational Guidelines), AT 7 (Resources), and AT 9 (Outsourcing). The specific administrative practice will be determined with the respective user group (especially for leasing and factoring companies).

Certain requirements of this Circular only apply to institutions with a non-performing loan ratio of 5% or more at individual or group level (high NPL institutions).

Comments

This circular addresses all institutions within the meaning of s. 1 (1b) of the Banking Act as well as section 53 (1) of the Banking Act and branches of German institutions located outside Germany. The requirements do not apply to branches of enterprises domiciled in another state of the European Economic Area pursuant to s. 53b of the Banking Act. The requirements laid down in module AT 4.5 of this circular shall be observed at group level by the superordinated enterprises or by the superordinated financial conglomerate enterprises of a group of institutions, financial holding group or financial conglomerate.

Financial services institutions and securities trading banks shall comply with the requirements of this Circular insofar as this appears necessary, given the institution's size as well as the nature, scale, complexity and riskiness of its business activities, to comply with the statutory duties laid down in ss. 25a and 25b of the Banking Act. This shall apply, in particular, to modules AT 3 (Joint responsibility of the management board members), AT 5 (Organizational guidelines), AT 7 (Resources) and AT 9 (Outsourcing). The concrete administrative practice is determined with the respective circle of users (in particular for leasing and factoring companies).

Certain requirements of this Circular apply only to institutions with a non-performing loan ratio of 5% or more at individual or group level (High NPL institutions).

Statement by (date)

Implementation status Explanation

Repeal with effect from 29 June 2023

Status – Further Details

Repeal with effect from June 29, 2023

Date of entry into force/publication

16.08.2021

Entry into force estimated?

No

Date of first application

16.08.2021

Application appreciated?

No

Date Standard repealed

June 29, 2023

Remark (Entry into force/Publication)

This circular is repealed by Circular 05/2023 (BA) (data record 5763) with effect from 29 June 2023.

BaFin grants a transitional period until 31 December 2021 for the new regulations introduced by the circular.

The first relevant date for classification as an institution with a high NPL ratio is therefore September 30, 2021.

Any necessary adjustments to existing or currently negotiated outsourcing agreements must be made by December 31, 2022. A corresponding overview identifies which requirements are considered new (see source for details).

Comments

This circular is repeated with effect from June 29, 2023 by Circular 05/2023 (BA) (data record 5763).

For regulations newly introduced by the circular, BaFin grants a transitional period until December 31, 2021.

The first cut-off date relevant for the classification as an institution with a high NPL ratio is thus September 30, 2021.

Necessary adjustments to existing or currently negotiated outsourcing agreements must be made by 31 December 2022. An overview shows which requirements are deemed to be new (see source for details).

Sources

The sources are not shown in this working paper.