

5. Other Member States may recognise the measures set in accordance with this Article and apply them to domestically authorised branches located in the Member State authorised to apply the measures.

6. Where Member States recognise the measures set in accordance with this Article, they shall notify the Council, the Commission, EBA, the ESRB and the Member State authorised to apply the measures.

7. When deciding whether to recognise the measures set in accordance with this Article, the Member State shall take into consideration the criteria set in paragraph 4.

8. The Member State authorised to apply the measures may ask the ESRB to issue a recommendation as referred to in Article 16 of Regulation (EU) No 1092/2010 to one or more Member States which do not recognise the measures.

9. Before the expiry of the authorisation issued in accordance with paragraph 4, the Member State shall, in consultation with the ESRB and EBA, review the situation and may adopt, in accordance with the procedure referred to in paragraph 4, a new decision for the extension of the period of application of national measures for one additional year each time. After the first extension, the Commission shall in consultation with the ESRB and EBA review the situation at least annually.

10. Notwithstanding the procedure as set out in paragraphs 3 to 9, Member States shall be allowed to increase the risk weights beyond those provided in this Regulation by up to 25 %, for those exposures identified in points (vi) and (vii) of paragraph 2(d) of this Article and tighten the large exposure limit provided in Article 395 by up to 15 % for a period of up to two years or until the macroprudential or systemic risk ceases to exist if that occurs sooner, provided that the conditions and notification requirements in paragraph 2 of this Article are met.

Article 459

Prudential requirements

The Commission shall be empowered to adopt delegated acts in accordance with Article 462, to impose, for a period of one year, stricter prudential requirements for exposures where this is necessary to address changes in the intensity of microprudential and macroprudential risks which arise from market developments in the Union or outside the Union affecting all Member States, and where the instruments of this Regulation and Directive 2013/36/EU are not sufficient to address these risks, in particular upon the recommendation or opinion of the ESRB or EBA, concerning:

(a) the level of own funds laid down in Article 92;

(b) the requirements for large exposures laid down in Article 392 and Articles 395 to 403;

(c) the public disclosure requirements laid down in Articles 431 to 455.

The Commission, assisted by the ESRB shall, at least on an annual basis, submit to the European Parliament and the Council, a report on market developments potentially requiring the use of this Article.

Article 460

Liquidity

1. The Commission shall be empowered to adopt a delegated act in accordance with Article 462 to specify in detail the general requirement set out in Article 412(1). The delegated act adopted in accordance with this paragraph shall be based on the items to be reported in accordance with Part Six, Title II and Annex III, shall specify under which circumstances competent authorities have to impose specific in- and outflow levels on credit institutions in order to capture specific risks to which they are exposed and shall respect the thresholds set out in paragraph 2.

2. The liquidity coverage requirement referred to in Article 412 shall be introduced in accordance with the following phasing-in:

(a) 60 % of the liquidity coverage requirement in 2015;

(b) 70 % as from 1 January 2016;

(c) 80 % as from 1 January 2017;

(d) 100 % as from 1 January 2018.

For this purpose the Commission shall take into account the reports referred to in Article 509(1), (2) and (3) and international standards developed by international fora as well as Union specificities.

The Commission shall adopt the delegated act referred to in paragraph 1 by 30 June 2014. It shall enter into force by 31 December 2014, but shall not apply before 1 January 2015.

Article 461

Review of the phasing-in of the liquidity coverage requirement

1. EBA shall, after consulting the ESRB, by 30 June 2016 report to the Commission on whether the phase-in of the liquidity coverage requirement as specified in Article 460(2) should be amended. Such analysis shall take due account of market and international regulatory developments as well as Union specificities.