

DOCUMENT	SECTION	ARTICLE		
		CONTENT	SUBTITLE	TITLE
		<p>&lt;ol class="crrNumList"&gt; &lt;li&gt;Competent authorities shall ensure that any additional risk weight imposed pursuant to Article 407 of Regulation (EU) No 575/2013 is applied to all relevant securitisation positions, held by an institution, which are affected by the material infringement of Article 405, 406 or 409 of Regulation (EU) No 575/2013.&lt;/li&gt; &lt;li&gt;Where an institution rectifies its infringement of the requirements provided in Article 405, 406 or 409 of Regulation (EU) No 575/2013, the additional risk weight shall cease to apply as soon as the rectification is notified to the competent authority.&lt;/li&gt; &lt;li&gt;When assessing whether to impose an additional risk weight, competent authorities shall consider both the materiality of the infringement of Article 405, 406 or 409 of Regulation (EU) No 575/2013 and its relevance to the risk analysis of the securitisation position. Materiality shall be taken into consideration in both quantitative and qualitative terms and, where applicable, at both entity and consolidated level. In assessing materiality, competent authorities shall consider, among other factors, the duration of the infringement, the size of the affected positions and whether the institution has attempted to proactively rectify the infringement.&lt;/li&gt; &lt;li&gt;When assessing whether an institution has failed to meet the requirements set out in Article 405 of Regulation (EU) No 575/2013 in any material respect by reason of negligence or omission, competent authorities shall not be influenced by any omission by the originator, sponsor or original lender to disclose its commitment to retain a material economic interest of not less than 5 % with regard to past securitisations, where the institution can demonstrate that it has taken appropriate account of such circumstance.&lt;/li&gt; &lt;li&gt;In the case of a material infringement of the disclosure requirement provided in Article 409 of Regulation (EU) No 575/2013 by reason of negligence or omission of the institution, competent authorities shall impose an additional risk weight to the originator's, sponsor's or original lender's retained positions in, or other exposure to the relevant securitisation.&lt;/li&gt; &lt;li&gt;When assessing whether institutions have failed to meet the requirements set out in Articles 405, 406 or 409 of Regulation (EU) No 575/2013, in any material respect for reasons of negligence or of omission, for securitisation positions issued on or after 1 January 2011 and before 1 January 2014, competent authorities may take into account whether those institutions complied continuously between the date of issuance and 31 December 2013 with the requirements specified in Article 122a of Directive 2006/48/EC of the European Parliament and of the Council/Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (OJ L 177, 30.6.2006, p. 1). and in the Guidelines to Article 122a of Directive 2006/48/EC of the Committee of European Banking Supervisors&lt;a href="http://www.eba.europa.eu/documents/10180/106202/Guidelines.pdf"&gt;http://www.eba.europa.eu/documents/10180/106202/Guidelines.pdf&lt;/a&gt;.&lt;/li&gt; &lt;/ol&gt;</p>	General considerations	Article 1
		<p>&lt;div class="crrArticle"&gt; &lt;p&gt;Where an institution does not meet the relevant requirements provided in Articles 405, 406 or 409 of Regulation (EU) No 575/2013 in any material respect, competent authorities shall apply the following formula to determine the total risk weight (Total RW) in accordance with the approach specified in Article 245(6) and Article 337(3) of Regulation (EU) No 575/2013:&lt;/p&gt; &lt;p&gt;Total RW = Min[12,5; Original RW <math>\times</math> (1 + (2,5 + 2,5 <math>\times</math> InfringementDuration <sup>&lt;span class="crrSub"&gt; years&lt;/span&gt; ) <math>\times</math> (1 <math>\times</math> "Article405Exemption" <sup>&lt;span class="crrSub"&gt; Pct&lt;/span&gt; ) )]&lt;/p&gt; &lt;p&gt;Where:&lt;/p&gt; &lt;ol class="crrListNoStyle"&gt; &lt;li&gt;&lt;p&gt;12,5 is a factor representing the maximum value that the total risk weight can reach;&lt;/p&gt;&lt;/li&gt; &lt;li&gt;&lt;p&gt;Original RW is the risk weight that would apply to the securitisation positions if no additional risk weight was imposed;&lt;/p&gt;&lt;/li&gt; &lt;li&gt;&lt;p&gt;2,5 is the minimum factor applying to the original risk weight in order to calculate the additional risk weight;&lt;/p&gt;&lt;/li&gt; &lt;li&gt;&lt;p&gt;InfringementDuration <sup>&lt;span class="crrSub"&gt; years&lt;/span&gt;</sup> is the duration of the infringement, expressed in years, rounded down to the nearest 12-month period. This variable is equal to 0 for an infringement of less than 12 months, equal to 1 for an infringement of more than 12 months but less than 24 months, equal to 2 for an infringement of more than 24 months but less than 36 months, etc. The duration shall generally be measured from the start of the infringement for the securitisation, although competent authorities, taking account of the specificities of the securitisation, may impose other starting points. Infringement shall mean the breach of one or more of the requirements set out in Article 405, 406 or 409 capable of triggering an additional risk weight. The infringement shall turn into a subsequent infringement when time passes without rectifying the infringement, leading to a progressive increase of the additional risk weight.&lt;/p&gt;&lt;/li&gt; &lt;li&gt;&lt;p&gt;Article405Exemption <sup>&lt;span class="crrSub"&gt; Pct&lt;/span&gt;</sup> is a variable equal to 0,5 if Article 405(3) of Regulation (EU) No 575/2013 applies to the securitisation positions to which the additional risk weight is calculated, and equal to 0 if such exemption does not apply.&lt;/p&gt;&lt;/li&gt; &lt;/ol&gt; &lt;/div&gt;</sup></sup></p>	Calculation of additional risk weight	Article 2
		<p>&lt;div class="crrArticle"&gt;This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.&lt;/div&gt;</p>	Entry into force	Article 3