

Regulatory update Banking, finance and insurance

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Banks, Investment Firms, Asset Managers
and non-bank financial institutions

I. European regulation

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I. European regulation

✓ CRR: EBA PUBLISHES A FINAL REPORT OF DRAFT RTS

On 13 August 2024, EBA published a [Final Report](#) of draft regulatory technical standards (RTS) amending delegated regulations on profit and loss attribution requirements, risk factor modellability assessment, and the treatment of FX and commodity risk in the banking book following the amendments to Regulation (EU) 575/2013 (CRR) occurred with the CRR3 framework.

More specifically:

- in relation to the RTS on profit and loss attribution requirements, the amendments aim at reflecting the new wording included in Article 325bg CRR, as well as at removing the formulae for aggregating the own funds requirements for market risk from the delegated regulation as it now been included directly in Article 325ba CRR;
- in relation to the RTS on modellability assessment, the amendments include documentation requirements supporting the competent authority in assessing which are the risk factors for which data from third-party have been used. This has been introduced in line with the new provision in Article 325be stating that competent authority may allow institutions to use market data from third-party vendors to perform the modellability assessment;
- on relation to the RTS on FX and Commodity risk in the banking book, the amendments include requirements ensuring that institutions can identify positions that are subject to FX risk only because of the translation risk resulting from the consolidation process, and ensuring that institutions using internal models have clear policies in place clarifying which are the positions that are managed by classical trading desks, and which are instead positions that are managed in the context of a notional trading desk.

II. Italian regulation

- ✓ [NPL: PUBLISHED ON THE ITALIAN OFFICIAL JOURNAL THE LEGISLATIVE DECREE TRANSPOSING DIRECTIVE \(UE\) 2021/2167](#)

On 13 August 2024, the [Legislative Decree No. 116 of 30 July 2024](#) was published on the Italian Official Journal, transposing the Directive (UE) 2021/2167 (SMD) on credit servicers and credit purchasers. The SMD aims to (i) promote the development of a secondary market for non-performing loans (NPLs) in order to remove barriers to their transfer and (ii) strengthen guarantees for transferred debtors.

The new legislative Decree amends the “Consolidated Banking Act” (Legislative Decree No. 385/1993) by introducing a specific section on the acquisition and management of NPLs and regarding NPL credit managers.

The provisions of the aforementioned Decree apply to the purchase and management of NPLs, except, in cases where the management is carried out by (i) managers of collective investment undertakings with respect to loans granted or purchased by the aforementioned collective investment undertakings and (ii) banks, also with respect to loans granted or purchased by them.

In this regard, the Bank of Italy is identified as the main competent authority with specific responsibilities in this area, including:

- the drafting of implementing provisions to be adopted within six months of the entry into force of this Decree;
- the exercise of supervisory activities over the NPL credit managers;
- the registration in a special register of NPL credit managers authorised in Italy, and the connected regular updating of the information contained therein;
- the regulation of the authorisation procedure, the criteria for assessing the conditions for granting authorisation to NPL credit managers, and the cases of revocation and forfeiture;

It is required that, the purchasers of NPLs and NPL credit managers shall, in their relations with debtors, (i) act with fairness, diligence and transparency; (ii) provide accurate, clear and non-misleading information; (iii) guarantee the confidentiality of personal data; and (iv) act without harassment, coercion or undue influence in their communications with debtors.

The new legislation provides the modalities for carrying out the same activities on a cross-border basis in other EU countries, even without establishing branches.

The new Legislative Decree entered into force on 14 August 2024. However, it is required that, the entities carrying out NPLs management activities on that date, may continue to carry out the same activities for a period of six months following the entry into force of the implementing provisions.

By that date, they must obtain authorisation in accordance with the procedures laid down in the aforementioned Decree.



✓ SECURIZATIONS: CONSOB PUBLISHES NEW FAQs

On 9 August 2024, Consob published the [Frequently Asked Questions regarding securitizations](#) (FAQs) to provide clarification on issues raised by market participants with respect to Resolution No. 22833 adopted by Consob on 18 October 2023, implementing Article 4-septies.2 of the Legislative Decree No. 58/1998 (CLF).

The FAQs are not binding but have an operational and procedural nature as a guide for the entities party to a securitisation transaction when submitting information to CONSOB pursuant to the Regulation (EU) 2017/2402 (laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitization).

The purpose of this tool is (i) to provide assistance to the parties involved on how and when to submit notifications, (ii) to provide clarifications on the completion of the templates, and (iii) to report significant events.