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Your ref., Your message of	Our ref., person in charge	Extension	Date
	BSBV 115/Dr. Egger/St	3137	18 th July 2013

EBA - Consultation RTS on own funds (Part III) - EBA-CP-2013-17 - ADDENDUM

In addition to our comments submitted today we would like to add one more point with regards to Question 1:

Article 14a point states that

*“indirect holdings of capital instruments pursuant to Article 33 (1) (f) (h) and (i) of Regulation xx/XX/EU [CRR], shall include but are not limited to, any exposure, (...), to an intermediate entity that has an exposure to Common Equity Tier 1 instruments issued by a financial sector entity where, in the event the Common Equity Tier 1 instruments issued by the financial sector entity were permanently written off, the loss that the institution would incur as a result would not be **materially different** from the loss the institution would incur from a direct holding of those Common Equity Tier 1 instruments issued by the financial sector entity.”*

It is not sufficiently clear what **materially different** means in this context. How is materially different defined? In which case is a difference between the loss effect of a direct and indirect holding material or not?

It would be helpful if Article 14a contains a percentage how high the difference between the loss effect of a direct and indirect holding has to be or criteria how to decide whether the difference between the loss effect of a direct and indirect holding is material or not.

We would appreciate a clarification of this matter.

Kindly give our remarks due consideration.

Yours sincerely,

Dr. Franz Rudorfer
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