

# EBA statement confirming its response to the European Commission's Delegated Act postponing the application of the market risk framework in the EU

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On 12 June 2025, the European Commission [adopted a new Delegated Act](#) in accordance with Article 461a of Regulation (EU) No 575/2013 (Capital Requirements Regulation – CRR), deferring the application of the Fundamental Review of the Trading Book (FRTB) standards for calculating own funds requirements for market risk in the European Union for another year to 1 January 2027. Provided that the co-legislators do not object to the Commission's proposal, the European Banking Authority (EBA) wishes to share the considerations below.

## Continuation of the No-Action Letter

The EBA confirms that its [no-action letter published on 12 August 2024](#) would remain fully valid and in place under a second Delegated Act. This letter advises Competent Authorities not to prioritise supervisory or enforcement actions regarding the application of the boundary between the trading and non-trading book, until the full FRTB framework is implemented for the purposes of calculating binding own funds requirements.

## Continued applicability of the EBA's considerations on certain technical aspects

The EBA's considerations on specific issues arising from postponement of the FRTB, [communicated alongside the no-action letter](#) last year, would also remain valid and applicable during the extended postponement period. Specifically:

**Market risk contribution to the output floor (S-TREA):** institutions that use at least one type of internal models should continue to determine own funds requirements for floor purposes based on either the FRTB-SA or CRR2-SA, depending on whether they are subject to the FRTB reporting in accordance with Article 430b CRR, or not.

**Structural Foreign Exchange Positions:** permissions under Article 352(2) CRR based on the current EBA Guidelines (EBA/GL/2020/09) remain valid. These can be considered compliant with Article 104c of the CRR until the Regulatory Technical Standard (RTS) on Structural FX enter into force and the no-action letter ceases to apply.

**Threshold Calculation using 'Main Risk Driver' Approach:** institutions may use the CRR3 'main risk driver' approach to calculate thresholds under Article 325a CRR during the postponement period.

**Recognition of CVA Hedges:** instruments recognised as eligible CVA hedges under CRR3 should be excluded from the scope of own funds requirements for market risk. No authorisation or notification is needed under the RTS on changes to internal models.

**Disclosures and reporting:** Institutions should follow disclosure and reporting frameworks on market risks as set out in Regulation (EU) 2024/3172 (disclosures) and Regulation (EU) 2024/3117 (reporting) that already reflect the first postponement, as well as the comply with the reporting requirements of Regulation (EU) 2021/453 (reporting), where applicable. The EBA will trigger the necessary formal updates to the former two ITS to reflect the new FRTB application date.

**Operational Risk Boundary Alignment:** institutions should apply the same prudential boundary to determine both market risk and the financial component of the operational risk indicator, consistent with the no-action letter.

#### **Supervisory Benchmarking Exercise**

As a result of the Delegated Act, institutions will keep applying the CRR2-IMA for the calculation of the own funds requirements for market risk. Institutions that continue to apply the CRR2-IMA remain in the scope of the mandate of Article 78 of Directive 2013/36/EU (CRD) and are expected to take part in the market risk part of the supervisory benchmarking exercise 2026 in accordance with the [revised benchmarking ITS published on 08/08/2025](#). Other entities are not expected to participate in that part of the exercise.