

DECISIONS

COMMISSION IMPLEMENTING DECISION (EU) 2019/2166

of 16 December 2019

amending Implementing Decision 2014/908/EU as regards the inclusion of Serbia and South Korea in the lists of third countries and territories whose supervisory and regulatory requirements are considered equivalent for the purposes of the treatment of exposures in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012⁽¹⁾, and in particular Articles 107(4), 114(7), 115(4), 116(5) and 142(2) thereof,

Whereas:

- (1) Commission Implementing Decision 2014/908/EU⁽²⁾ lays down lists of third countries and territories whose supervisory and regulatory arrangements are found equivalent to the corresponding supervisory and regulatory arrangements applied in the Union in accordance with Regulation (EU) No 575/2013.
- (2) The Commission has conducted further assessments of the supervisory and regulatory arrangements applicable to credit institutions in certain third countries and territories. Those assessments have enabled the Commission to establish whether or not those arrangements are equivalent for the purposes of determining how to treat the relevant categories of exposures referred to in Articles 107, 114, 115, 116 and 142 of Regulation (EU) No 575/2013.
- (3) The equivalence has been determined by an outcome-based analysis of the third country's regulatory and supervisory arrangements which tests their ability to achieve the same general objectives as the Union's supervisory and regulatory arrangements. The objectives refer, in particular, to the stability and integrity of both the domestic and the global financial system in its entirety; the effectiveness and adequacy of protection of depositors and other consumers of financial services; the cooperation between different actors of the financial system, including regulators and supervisors; the independence and the effectiveness of supervision; and the effective implementation and enforcement of relevant internationally agreed standards. In order to achieve the same general objectives of the Union's supervisory and regulatory arrangements, the supervisory and regulatory arrangements of the third country should comply with a series of operational, organisational and supervisory standards reflecting the essential elements of the Union's supervisory and regulatory requirements applicable to relevant categories of financial institutions.
- (4) In its assessments, the Commission has considered the evolution of the supervisory and regulatory arrangements of Serbia and South Korea since the adoption of Commission Implementing Decision (EU) 2019/536⁽³⁾ and taken into account available sources of information, including the assessment made by the European Banking Authority which recommended that the supervisory and regulatory frameworks applicable to credit institutions in those third countries should be considered as equivalent to the Union legal framework for the purposes of Articles 107(3), 114(7), 115(4), 116(5) and Article 142(2) of Regulation (EU) No 575/2013. The Commission further notes that Serbia has significantly improved its framework against-money laundering and the financing of terrorism, and that work continues in this respect.

⁽¹⁾ OJ L 176, 27.6.2013, p. 1.

⁽²⁾ Commission Implementing Decision 2014/908/EU of 12 December 2014 on the equivalence of the supervisory and regulatory requirements of certain third countries and territories for the purposes of the treatment of exposures according to Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 359, 16.12.2014, p. 155).

⁽³⁾ Commission Implementing Decision (EU) 2019/536 of 29 March 2019 amending Implementing Decision 2014/908/EU as regards the lists of third countries and territories whose supervisory and regulatory requirements are considered equivalent for the purposes of the treatment of exposures in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council (OJ L 92, 1.4.2019, p. 3).

- (5) The Commission has concluded that Serbia and South Korea have in place supervisory and regulatory arrangements which comply with a series of operational, organisational and supervisory standards that are at least equivalent to the essential elements of the Union's supervisory and regulatory arrangements applicable to credit institutions. Therefore, it is appropriate to consider that the supervisory and regulatory requirements applied to credit institutions in Serbia and South Korea are at least equivalent to those applied in the Union for the purposes of Articles 107(3), 114(7), 115(4), 116(5) and Article 142 (2) of Regulation (EU) No 575/2013.
- (6) Implementing Decision 2014/908/EU should therefore be amended to include Serbia and South Korea in the relevant lists of third countries and territories whose supervisory and regulatory requirements are, for the purposes of treating the exposures addressed in Articles 107, 114, 115, 116 and 142 of Regulation (EU) No 575/2013, considered equivalent to the Union's regime.
- (7) The lists of third countries and territories considered to be equivalent for the purposes of the relevant provisions of Regulation (EU) No 575/2013 are not exhaustive. The Commission, with the assistance of the European Banking Authority, will continue to monitor on a regular basis the evolution of the supervisory and regulatory arrangements of third countries and territories with a view to updating, as appropriate and at least every 5 years, the lists of third countries and territories set out in Implementing Decision 2014/908/EU taking account, in particular, of developments in supervisory and regulatory arrangements, in the Union and at global level, and in light of new available sources of relevant information.
- (8) The regular review of the prudential and supervisory requirements applicable in the third countries and territories listed in Annexes I to V to Implementing Decision 2014/908/EU should be without prejudice to the possibility for the Commission to undertake a specific review relating to an individual third country or territory at any time outside the general review, where relevant developments make it necessary for the Commission to re-assess the recognition granted by Implementing Decision 2014/908/EU. Such re-assessment could lead to the withdrawal of the recognition of equivalence.
- (9) The measures provided for in this Decision are in accordance with the opinion of the European Banking Committee,

HAS ADOPTED THIS DECISION:

Article 1

Implementing Decision 2014/908/EU is amended as follows:

- (1) Annex I is replaced by the text set out in Annex I to this Decision;
- (2) Annex IV is replaced by the text set out in Annex II to this Decision;
- (3) Annex V is replaced by the text set out in Annex III to this Decision.

Article 2

This Decision shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels, 16 December 2019.

For the Commission
The President
Ursula VON DER LEYEN

ANNEX I

'ANNEX I

List of third countries and territories for the purposes of article 1 (credit institutions)

- (1) Argentina
 - (2) Australia
 - (3) Brazil
 - (4) Canada
 - (5) China
 - (6) Faroe Islands
 - (7) Greenland
 - (8) Guernsey
 - (9) Hong Kong
 - (10) India
 - (11) Isle of Man
 - (12) Japan
 - (13) Jersey
 - (14) Mexico
 - (15) Monaco
 - (16) New Zealand
 - (17) Saudi Arabia
 - (18) Serbia
 - (19) Singapore
 - (20) South Africa
 - (21) South Korea
 - (22) Switzerland
 - (23) Turkey
 - (24) USA'
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ANNEX II

"ANNEX IV

List of third countries and territories for the purposes of article 4 (credit institutions)

- (1) Argentina
 - (2) Australia
 - (3) Brazil
 - (4) Canada
 - (5) China
 - (6) Faroe Islands
 - (7) Greenland
 - (8) Guernsey
 - (9) Hong Kong
 - (10) India
 - (11) Isle of Man
 - (12) Japan
 - (13) Jersey
 - (14) Mexico
 - (15) Monaco
 - (16) New Zealand
 - (17) Saudi Arabia
 - (18) Serbia
 - (19) Singapore
 - (20) South Africa
 - (21) South Korea
 - (22) Switzerland
 - (23) Turkey
 - (24) USA"
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ANNEX III

ANNEX V

List of third countries and territories for the purposes of article 5 (credit institutions and investment firms)

Credit institutions:

- (1) Argentina
- (2) Australia
- (3) Brazil
- (4) Canada
- (5) China
- (6) Faroe Islands
- (7) Greenland
- (8) Guernsey
- (9) Hong Kong
- (10) India
- (11) Isle of Man
- (12) Japan
- (13) Jersey
- (14) Mexico
- (15) Monaco
- (16) New Zealand
- (17) Saudi Arabia
- (18) Serbia
- (19) Singapore
- (20) South Africa
- (21) South Korea
- (22) Switzerland
- (23) Turkey
- (24) USA

Investment firms:

- (1) Australia
 - (2) Brazil
 - (3) Canada
 - (4) China
 - (5) Hong Kong
 - (6) Indonesia
 - (7) Japan (limited to Type I Financial Instruments Business Operators)
 - (8) Mexico
 - (9) South Korea
 - (10) Saudi Arabia
 - (11) Singapore
 - (12) South Africa
 - (13) USA
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