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DECISION (EU) 2026/2037 OF THE EUROPEAN CENTRAL BANK

of 21 August 2026

amending Decision (EU) 2021/1442 on delegation of the power to adopt decisions on internal models and on extension of deadlines (ECB/2021/38) *(ECB/2026/20)*

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

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 amending Regulation (EU) No 648/2012 [1], and in particular Articles 148, 149 and 150 thereof,

Having regard to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions [2], and in particular Article 4(1), point (e), thereof,

Having regard to Decision (EU) 2017/933 of the European Central Bank of 16 November 2016 on a general framework for delegating decision-making powers for legal instruments related to supervisory tasks (ECB/2016/40) [3], and in particular Article 4 thereof,

Whereas:

(1) Decision (EU) 2021/1442 of the European Central Bank (ECB/2021/38) [4] specifies, among others, the criteria for the delegation of decision-making powers to the heads of work units of the European Central Bank (ECB) for the adoption of decisions on prior permission to revert to the use of less sophisticated approaches pursuant to Article 149 of Regulation (EU) No 575/2013 and on prior permission for the permanent partial use of the Standardised Approach pursuant to Article 150 of Regulation (EU) No 575/2013. The experience gained in the application of that Decision has shown that certain amendments are necessary, in particular for reasons of clarity, consistency and proportionality in the application of those criteria.

(2) The criteria for the adoption of delegated decisions on prior permission to revert to the use of less sophisticated approaches and on prior permission for permanent partial use of the Standardised Approach should be simplified to ensure consistency and proportionality. To this end, for both types of delegated decisions, a uniform quantitative criterion based on 50 basis points on the Common Equity Tier 1 (CET1) capital ratio should be introduced to provide a clear measure of prudential impact. This criterion would also ensure that the ECB supervisory discretion is exercised in a proportionate manner, as the resulting change in the relevant decision-making process would be without prejudice to the substantive assessment required under Articles 149 and 150 of Regulation (EU) No 575/2013.

(3) Additionally, in order to provide a proportionate basis for identifying non-controversial applications for the decisions suitable for delegation, the criteria should also specify that as a result of the adoption of the relevant delegated decision there is no breach of any requirement, obligation or limitation set out in prior ECB decisions approving the plans for a timely return to compliance ('return-to-compliance plans') pursuant to Article 146 of Regulation (EU) No 575/2013 or pursuant to Article 101(4) of Directive 2013/36/EU of the European Parliament and of the Council [5] or approving the plans for the sequential implementation across different types of exposure and business units within an exposure class of the Internal Ratings Based (IRB) Approach ('IRB roll-out plans') pursuant to Article 148 of Regulation (EU) No 575/2013.

(4) Therefore, Decision (EU) 2021/1442 (ECB/2021/38) should be amended accordingly,

(1) OJ L 176, 27.6.2013, p. 1, ELI: http://data.europa.eu/eli/reg/2013/575/oj.
(2) OJ L 287, 29.10.2013, p. 63, ELI: http://data.europa.eu/eli/reg/2013/1024/oj.
(3) OJ L 141, 1.6.2017, p. 14, ELI: http://data.europa.eu/eli/dec/2017/933/oj.
(4) Decision (EU) 2021/1442 of the European Central Bank of 3 August 2021 on delegation of the power to adopt decisions on internal models and on extension of deadlines (ECB/2021/38) (OJ L 314, 6.9.2021, p. 22, ELI: http://data.europa.eu/eli/dec/2021/1442/oj).
(5) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338, ELI: http://data.europa.eu/eli/dir/2013/36/oj).

HAS ADOPTED THIS DECISION:

Article 1

Amendments

Decision (EU) 2021/1442 (ECB/2021/38) is amended as follows:

1. Article 5 is replaced by the following:

'*Article 5*

Criteria for the adoption of delegated decisions on prior permission to revert to the use of less sophisticated approaches

1. Decisions granting permission to revert to the use of less sophisticated approaches shall be taken by means of a delegated decision if all of the following criteria are met:

(a) as a result of the reversion to the use of less sophisticated approaches, there are no changes to the criteria applied by the significant supervised group or significant supervised entity to determine whether or not to revert to the use of less sophisticated approaches pursuant to Article 149 of Regulation (EU) No 575/2013, as reflected in the internal policies or arrangements of that group or entity as communicated to the ECB, and there is no breach of any requirement, obligation or limitation set out in previous ECB decisions approving return-to-compliance plans pursuant to Article 146 of Regulation (EU) No 575/2013 or pursuant to Article 101(4) of Directive 2013/36/EU and IRB roll-out plans pursuant to Article 148 of Regulation (EU) No 575/2013;

(b) as a result of the reversion to the use of less sophisticated approaches, the Common Equity Tier 1 capital ratio does not increase or decrease by more than 50 basis points, measured separately for any individual type of exposure or rating system within the scope of the application to revert to the use of less sophisticated approaches, on a consolidated level of a significant supervised group or on an individual level of a significant supervised entity, where such entity is not part of a significant supervised group.

2. Where the application to revert to the use of less sophisticated approaches concerns more than one rating system, the decision shall be taken by means of a delegated decision if all the criteria set out in paragraph 1 are met with regard to each rating system in the scope of the decision.

3. The assessment concerning the reversion to less sophisticated approaches shall be carried out in accordance with Article 149 of Regulation (EU) No 575/2013 and implementing and regulatory technical standards adopted by the European Commission, also taking into consideration any applicable ECB guides or similar documents issued by the ECB, as well as Guidelines and final draft regulatory technical standards of the European Supervisory Authorities.';

2. Article 6 is replaced by the following:

'*Article 6*

Criteria for the adoption of delegated decisions on prior permission for permanent partial use of the Standardised Approach

1. Decisions granting prior permission for the permanent partial use of the Standardised Approach shall be taken by means of a delegated decision if all of the following criteria are met:

(a) as a result of the decision on the permanent partial use of the Standardised Approach, there are no changes to the criteria used by the significant supervised group or significant supervised entity to determine whether or not to revert to the use of less sophisticated approaches pursuant to Articles 149 and 150 of Regulation (EU) No 575/2013, as reflected in the internal policies or arrangements of that group or entity as communicated to the ECB, and there is no breach of any requirement, obligation or limitation set out in previous ECB decisions approving return-to-compliance plans pursuant to Article 146 of Regulation (EU) No 575/2013 or pursuant to Article 101(4) of Directive 2013/36/EU and IRB-roll out plans pursuant to Article 148 of Regulation (EU) No 575/2013;

(b) as a result of the decision on the permanent partial use of the Standardised Approach, the Common Equity Tier 1 capital ratio does not increase or decrease by more than 50 basis points, measured separately for any individual type of exposure or rating system within the scope of the application for permanent partial use of the Standardised Approach, on a consolidated level of a significant supervised group or on an individual level of a significant supervised entity, where such entity is not part of a significant supervised group.

2. The assessment concerning the permanent partial use of the Standardised Approach shall be carried out in accordance with Article 150 of Regulation (EU) No 575/2013 and implementing and regulatory technical standards adopted by the Commission, also taking into consideration any applicable ECB guides or similar documents issued by the ECB, as well as Guidelines and final draft regulatory technical standards of the European Supervisory Authorities.'.

Article 2

Entry into force

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 Frankfurt am Main, 21 August 2026.

The President of the ECB
Christine LAGARDE