

CRD Transposition Group

The Capital Requirements Directive (CRD) for credit institutions and investment firms will introduce a supervisory framework in the European Union which reflects the Basel II rules on capital measurement and capital standards agreed at the G-10 level, with appropriate adjustments to reflect EU-specificities. Technically the CRD recasts two existing Directives (2000/12/EC and 1993/6/EEC).

Member States must transpose, and institutions should apply, the CRD from the start of 2007. Institutions can choose between the current "Basel I" approach and the simple or medium sophistication approaches of the new framework. The most sophisticated approaches (Advanced IRB approach and AMA approach for operational risk) will be available from 2008. From this date, all EU firms will apply "Basel 2".

As for other directives, the Commission has decided to set up a specific working group – the CRD Transposition Group (CRDTG). The objective of the group is to facilitate correct and coherent transposition of the CRD in Members States legislation. In particular, the CRDTG will provide all interested parties with interpretations on the CRD and to make them available on the websites of the Commission and of CEBS.

Part of the role of the working group is to identify possible differences in national transposition where these could cause problems and to develop proposals how to deal with those problems.

The Commission together with CEBS provide a webpage for queries and responses. All interested parties are invited to ask questions by putting their queries into a standardised form published on the following website:

http://ec.europa.eu/internal_market/bank/regcapital/transposition_en.htm (also available through the CEBS website: <http://www.c-ebs.org/crdtg.htm>)