

Commodity dealers: exposure exemption extended

On 30 May 2016, the Council adopted a regulation extending an exemption for commodity dealers under EU bank capital requirements.

Regulation 575/2013 exempts commodity dealers from **large exposure requirements** and from **own funds requirements** until 31 December 2017. It also requires the Commission to prepare, by 31 December 2015, reports on the prudential supervision of commodity dealers and of investment firms in general. That **review is still underway**, and it is likely that new legislation that may be required as a consequence would only be adopted after 31 December 2017.

It has therefore been decided to extend the exemption **until 31 December 2020**, in order to save commodity dealers from an unstable regulatory environment in the short term. Applying large exposure requirements and own funds requirements to commodity dealers should not come as the result of a lapsed exemption, but on the basis of **a thoroughly reasoned decision**.

The regulation extending the deadline was adopted without discussion at a meeting of the Education, Youth, Culture and Sport Council. The European Parliament approved it on 11 May 2016.

The exemption applies to a **broad spectrum of dealers** in energy and commodity markets. Some trade exclusively in commodity derivative contracts and resemble investment firms in terms of functions and risks, whereas others trade commodity derivatives purely as an ancillary activity to commodities production.

- [2016 regulation extending an exemption for commodity dealers under EU bank capital requirements](#)

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