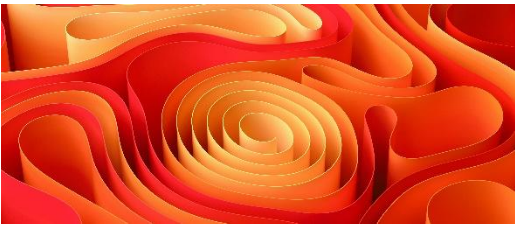
Pills
Regulatory/Supervisory Pills | N.138 September 2025



TOPICS:
Banking System

SOURCE
European Banking Authority

The EBA Publishes Draft Technical Standards on the Prudential Treatment of Crypto Asset Exposures Under the Capital Requirements Regulation

- The EBA has issued **final draft Regulatory Technical Standards (RTS)** under Article 501d(5) of CRR3, **specifying the technical framework for the calculation and aggregation of institutions' crypto-asset exposures**. These RTS aim to align EU prudential treatment with international standards, particularly the Basel Committee's SCO60 framework, while integrating the classification structure introduced under MiCA (Regulation (EU) 2023/1114).
- The RTS apply to Asset-Referenced Tokens (ARTs) and "other" crypto-assets, excluding tokenised traditional assets. For these categories, **the RTS define methodologies for calculating credit risk, counterparty credit risk (CCR), market risk (MR), and credit valuation adjustment (CVA) risk**, including relevant risk weights (250% for ARTs and 1,250% for "other" crypto-assets). They introduce **technical criteria for netting, hedge recognition, and exposure value computation, as well as aggregation methods for long and short positions** to enforce the 1% Tier 1 capital exposure cap on high-risk crypto-assets.
- **Valuation remains a key challenge** due to the absence of specific international accounting standards. Although the EBA considered including prudent valuation requirements in these RTS, feedback led to their exclusion for the transitional period. Nonetheless, institutions with significant fair-valued crypto-assets may face supervisory intervention to ensure valuation risks are mitigated.
- **The RTS** will be submitted to the European Commission for adoption and are subject to scrutiny by the European Parliament and Council. They **are expected to be applicable until the full implementation of the Basel crypto-asset framework in 2026 and the development of a permanent EU prudential regime for crypto-assets.**