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CRD VI and Its Impact on Lending Into Europe

April 12, 2024

December 2023 saw the publication by the EU of the near-final version of its 'Banking Package' that makes significant changes to the Capital Requirements Directive known as 'CRD VI'. This article is going to focus on the CRD VI prohibition on the provision of cross-border 'core banking services' into the EU by non-EU institutions; currently, it is up to individual European member states to decide whether and how non-European institutions can provide services to their citizens, and that is going to change and national waivers currently in place will terminate. New and existing 'third country branches' ('TCBs') will be required to apply for (re)authorisation subject to new pan-EU rules including covering capital requirements, unless they operate under one of CRD VI's exemptions.

The core provision requiring the authorisation of TCBs is set out in CRD VI article 21c.

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