



**Response to the targeted consultation on the treatment of equity exposure incurred under legislative programmes in the Capital Requirements Regulation – September 8, 2025**

The Ministry of Finance of the Netherlands has taken note of the text put into consultation on the treatment of equity exposures incurred under legislative programmes in the Capital Requirements Regulation Article 133(5) of Regulation (EU) No 575/2013. Please find below our position on the proposed Draft Communication and some considerations.

- **The Netherlands in general welcomes the proposed Draft Communication concerning the treatment of equity exposures incurred under legislative programmes.** The Netherlands agrees that targeted favourable treatment for equity exposures incurred under legislative programmes can effectively stimulate specific sectors of the economy and contribute to economic policy objectives such as supporting the financing of innovative and strategic sectors.
- **However, the Netherlands is of the opinion that this Draft Communication should not unnecessarily limit the scope of legislative programmes in the article to equity financing in European companies.** By explicitly mentioning only European companies in paragraph 6 and in paragraph 20, the Draft Communication could limit the effectiveness of certain European legislative programmes which extend beyond the European economy but which are of strategic interest of the Union, for example the European Fund for Sustainable Development Plus. Moreover, we note that Article 133(5) itself does not specify that favourable treatment of equity exposures under legislative programmes should be limited to exposure in European companies. As such, we propose to explicitly clarify in the communication that the scope of Article 133(5) CRR could also cover non-European equity exposures under eligible legislative programmes at the initiative of the EU or national authorities.
- **Moreover, while paragraph 9 of the Draft Communication specifies guidance when subsidies or guarantees could be considered significant for the purposes of Article 133(5), the article goes beyond the complexity of certain legislative interventions.** More complex guarantee structures could significantly decrease risks of the equity exposure while not reducing this exposure value by at least 30% in line with paragraph 9 part (c) of the communication. Additionally, it is unclear whether the 30% reduced exposure value should be measured before investment is done, during term of the investment or after the investment has in whole or in part been recouped. As such, we propose to include more flexibility in the communication, with preserving the clear intention of risk reduction. Concretely we suggests to add the words in italics: ‘...if the public intervention achieves a reduction of the exposure value *or risks* of institutions by at least...’ Moreover, we propose alignment of the percentage under sub (c) of paragraph 9 to that under sub (a), namely to 10 or 20%.
- **Finally, we propose an addition to paragraph 22 stipulating that equity exposures benefitting from the 100% risk-weight for eligible programmes should not exceed 10% of the institutions own funds.** We agree with his proposal, but would suggest to include that the burden of proof for this criterium lies with the institution, not with the national competent authority. Alternatively, the frequency of testing for this 10% cap could be included in the Draft Communication.