Question ID

2026_7724

Legal act

Regulation (EU) No 575/2013 (CRR)

Topic

Credit risk

Article

123a

COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations

Not applicable

Article/Paragraph

Not applicable

Type of submitter

Credit institution

Subject matter

Application of the currency mismatch treatment to self-employed individuals (natural persons carrying out an economic activity) under Article 123a CRR.

Question

Does the currency mismatch treatment set out in Article 123a of Regulation (EU) No 575/2013 (CRR) apply to exposures to self-employed individuals (natural persons carrying out an economic activity), where such individuals are natural persons that meet the criteria of Article 123 CRR, even if they are considered SMEs in accordance with Article 5(9) of CRR?

Background on the question

Article 123a CRR establishes a specific treatment for retail exposures subject to currency mismatch, which is linked to the condition that the obligor is a natural person. In particular, the following conditions must be met:
1) The exposure meets the criteria for retail exposures set out in Article 123 CRR; and
2) The exposure is to a natural person.

In accordance with Article 123 CRR, retail exposures include exposures to natural persons or SMEs, provided that certain specific requirements are fulfilled.

The question therefore arises as to whether the currency mismatch treatment should apply to a self-employed individual, given that such an individual is a natural person and meets the conditions of Article 123, regardless of the fact that he or she is considered an SME pursuant to Commission Recommendation 2003/361/EC and Article 5(9) of the CRR, due to the performance of an economic activity.
In this context, clarification is sought as to whether, despite a self-employed individual being classified as an SME, the exposure should nevertheless be subject to the currency mismatch treatment provided for in Article 123a CRR, given that the obligor is legally a natural person and the requirements of Article 123 are met.

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18/02/2026

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31/07/2026

Final answer

Article 123 (1) (a) of Regulation (EU) No 575/2013 (CRR), in defining retail exposures by referring to exposures to “one or more natural persons or to an SME” clearly distinguishes between natural persons and SMEs. At the same time, the scope of the currency mismatch treatment set out in Article 123a of the CRR is explicitly limited to exposures to natural persons that are assigned to the exposure class referred to in Article 112, point (h) as well as for exposures to natural persons that qualify as exposures secured by mortgages on residential property that are assigned to the exposure class referred to in Article 112, point (i).

Thus, where an exposure may be treated as an exposure to an SME for the purposes of Article 123 CRR, it does not fall into the scope of Article 123a CRR, as the latter is limited to exposures to natural persons assigned to the retail exposure class. For deciding whether, in the case of an exposure to a self-employed individual, the exposure qualifies as an exposure to an SME, please refer to Q&A 2021_6301.

Status

Final Q&A

Answer prepared by

Answer prepared by the EBA.
