

# Official Journal of the European Union

L 177



English edition

Legislation

Volume 61

13 July 2018

## Contents

### II *Non-legislative acts*

#### REGULATIONS

- ★ **Commission Delegated Regulation (EU) 2018/990 of 10 April 2018 amending and supplementing Regulation (EU) 2017/1131 of the European Parliament and of the Council with regard to simple, transparent and standardised (STS) securitisations and asset-backed commercial papers (ABCPs), requirements for assets received as part of reverse repurchase agreements and credit quality assessment methodologies <sup>(1)</sup> ..... 1**
- ★ **Commission Implementing Regulation (EU) 2018/991 of 12 July 2018 authorising the placing on the market of hen egg white lysozyme hydrolysate as a novel food under Regulation (EU) 2015/2283 of the European Parliament and of the Council, and amending Commission Implementing Regulation (EU) 2017/2470 <sup>(1)</sup> ..... 9**

#### DECISIONS

- ★ **Political and Security Committee Decision (CFSP) 2018/992 of 11 July 2018 on the appointment of the EU Mission Force Commander of the European Union military mission to contribute to the training of Somali security forces (EUTM Somalia) (EUTM Somalia/1/2018) 12**
- ★ **Commission Decision (EU) 2018/993 of 11 July 2018 amending Decisions (EU) 2017/1214, (EU) 2017/1215, (EU) 2017/1216, (EU) 2017/1218 and (EU) 2017/1219 as regards the duration of the transitional period (notified under document C(2018) 4312) <sup>(1)</sup> ..... 14**

<sup>(1)</sup> Text with EEA relevance.

EN

Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

The titles of all other acts are printed in bold type and preceded by an asterisk.



## II

*(Non-legislative acts)*

## REGULATIONS

## COMMISSION DELEGATED REGULATION (EU) 2018/990

of 10 April 2018

**amending and supplementing Regulation (EU) 2017/1131 of the European Parliament and of the Council with regard to simple, transparent and standardised (STS) securitisations and asset-backed commercial papers (ABCPs), requirements for assets received as part of reverse repurchase agreements and credit quality assessment methodologies**

*(Text with EEA relevance)*

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds <sup>(1)</sup>, and in particular Articles 11(4), 15(7) and 22 thereof,

Whereas:

- (1) Article 11(1) of Regulation (EU) 2017/1131 allows MMFs to invest in securitisations or asset-backed commercial papers (ABCPs). A specific incentive is in place to invest in simple, transparent and standardised (STS) securitisations or ABCPs. Since Regulation (EU) 2017/2402 of the European Parliament and of the Council <sup>(2)</sup> already contains requirements for STS securitisations and ABCPs, Regulation (EU) 2017/1131 needs to be amended to cross-refer to the provisions of Regulation (EU) 2017/2402 that contain those requirements.
- (2) Reverse repurchase agreements enable MMFs to implement their investment strategy and objectives according to the terms of Regulation (EU) 2017/1131. That Regulation requires that the counterparty to a reverse repurchase agreement be creditworthy and that the assets received as collateral be of sufficient liquidity and quality to enable MMFs to achieve their objectives and fulfil their obligations should such assets need to be liquidated. The standard agreements used for reverse repurchase agreements may contribute to the goal of managing counterparty risk. However, certain clauses may make the assets underlying reverse repurchase agreements unavailable to managers of MMFs and therefore illiquid. It is therefore necessary to ensure that the assets are available to managers of MMFs in case of default or in case of early termination of reverse repurchase agreements, and that the counterparty does not limit the sale of the assets by requiring prior notice or approval.
- (3) Managers of MMFs should not be obliged to apply a specific adjustment to the value of an asset (a haircut) if the counterparty to a reverse repurchase agreement is subject to prudential rules under Union law. To ensure that the collateral provided under reverse repurchase agreements is of high quality, managers of MMFs shall apply additional requirements when the counterparty to an agreement is not regulated under Union law or is not

<sup>(1)</sup> OJ L 169, 30.6.2017, p. 8.

<sup>(2)</sup> Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35).

recognised as equivalent. To ensure consistency across Union law, the minimum requirements for haircuts should be the same as the corresponding requirements laid down in Regulation (EU) No 575/2013 of the European Parliament and of the Council <sup>(1)</sup>.

- (4) Managers of MMFs should be able to apply a higher haircut than the minimum laid down in Regulation (EU) No 575/2013 where they consider it necessary to ensure that the collateral received as part of reverse repurchase agreements is sufficiently liquid, if the market conditions so require. They should also monitor and revise the amount of the haircut requested to ensure an appropriate level of liquidity, in particular when the amount of the haircut stipulated in Article 224(1) of Regulation (EU) No 575/2013 is revised, or the remaining maturity of assets or other factors related to the viability of the counterparty have changed.
- (5) The credit quality assessment methodologies referred to in Article 19(3) should be prudent enough to ensure that all qualitative and quantitative criteria supporting credit quality assessments are reliable and appropriate for properly assessing the credit quality of instruments eligible for investment. In addition, it should be ensured that the macroeconomic and microeconomic factors managers of MMFs take into consideration in a credit quality assessment are relevant for determining the credit quality of an issuer or of an instrument eligible for investment.
- (6) To ensure that the instruments managers of MMFs intend to invest in are of sufficient quality, the managers of MMFs should carry out a credit quality assessment every time they intend to make an investment. To avoid circumvention of the requirement in Regulation (EU) 2017/1131 that the managers of MMFs only invest in instruments that have received a favourable credit quality assessment, managers of MMF should clearly establish, as part of the credit quality methodology, the criteria for a favourable assessment of instruments eligible for MMF investment, before carrying out the actual credit quality assessment.
- (7) The methodology and criteria used for credit quality assessments should be consistent, except where there is an objective reason for diverging from the methodology or the criteria. The criteria and the methodology should be developed for recurrent use, not solely for a particular case at a specific moment in time. The consistent use of the criteria and of the methodology should make it easier to monitor the credit quality assessment.
- (8) To ensure the correct quantification of the credit risk of the issuer, and the relative risk of default of the issuer and of the instrument, as required under Article 20(2)(a) of Regulation (EU) 2017/1131, managers of MMFs should use the relevant quantitative criteria that are available on the market. However, they should not be prevented from using additional factors, if relevant.
- (9) The credit quality assessment of the issuer is one of the most important assessments to carry out, as it provides the first layer of guarantee of the quality of assets. Insofar as is possible, managers of MMFs should therefore take into account all factors that are relevant for assessing qualitative and quantitative credit risk criteria for an issuer of an instrument.
- (10) In exceptional circumstances, in particular under stressed market conditions, managers of MMFs should be able to take investment decisions that override the result of a credit quality assessment if such investment decisions are in the interests of investors, provided those decisions are justified and properly documented.
- (11) As the quality of instruments may vary over time, the credit quality assessment should not be a once-off assessment, rather it should be carried out continually. In addition, it should be revised, in particular, when there is a material change, as referred to in Article 19(4)(d) of Regulation (EU) 2017/1131, in the macroeconomic or microeconomic environment that could have an impact on the existing credit quality assessment of the instrument.
- (12) Managers of MMFs should not mechanistically over-rely on external credit ratings. The downgrading by a credit rating agency of the credit rating or rating outlook given to an issuer or an the instrument should therefore only be considered a material change if it has been assessed and put in the balance with other criteria. For this reason, managers should still be required to carry out their own assessment even where such downgrading takes place.
- (13) The collateral provided as part of reverse repurchase agreements should be of high quality and not display a high correlation with the performance of the counterparty. Its credit quality assessment should therefore be favourable. As there is no reason to differentiate between the assessments managers of MMFs carry out when investing directly in eligible assets and the assessment they carry out when they receive an asset as collateral, the credit quality assessment should be based on the same criteria in both cases.

<sup>(1)</sup> Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176, 27.6.2013, p. 1).

- (14) Regulation (EU) 2017/1131 contains three empowerments for the Commission to specify and amend certain provisions laid down in that Regulation. Those empowerments have the same aim of ensuring that MMFs are invested in appropriate eligible assets. To ensure the coherence and consistency of those requirements and to give the people subject to them an overview and a single point of access to them, those requirements should be put in a single regulation.
- (15) The date of application of this delegated Regulation should be aligned with the date of application of Regulation (EU) 2017/1131 to ensure that all rules and requirements apply to MMFs from the same date. The date of application of the amending provision cross-referring to the criteria for STS securitisations and ABCPS should be the same as the date of application of Regulation (EU) 2017/2402,

HAS ADOPTED THIS REGULATION:

#### CHAPTER 1

### **CRITERIA FOR ESTABLISHING A SIMPLE, TRANSPARENT AND STANDARDISED (STS) SECURITISATION OR ASSET-BACKED COMMERCIAL PAPER (ABCP)**

(Article 15(7) of Regulation (EU) 2017/1131)

#### *Article 1*

### **Amendment to Regulation (EU) 2017/1131**

In Article 11(1) of Regulation (EU) 2017/1131, point (c) is replaced by the following:

- ‘(c) a simple, transparent and standardised (STS) securitisation, as determined in accordance with the criteria and conditions laid down in Articles 20, 21 and 22 of Regulation (EU) 2017/2402 of the European Parliament and of the Council (\*), or an STS ABCP, as determined in accordance with the criteria and conditions laid down in Articles 24, 25 and 26 of that Regulation.

(\*) Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012 (OJ L 347, 28.12.2017, p. 35)’.

#### CHAPTER 2

### **QUANTITATIVE AND QUALITATIVE CREDIT QUALITY REQUIREMENTS FOR ASSETS RECEIVED AS PART OF REVERSE REPURCHASE AGREEMENTS**

(Article 15(7) of Regulation (EU) 2017/1131)

#### *Article 2*

### **Quantitative and qualitative liquidity requirements for the assets referred to in Article 15(6) of Regulation (EU) 2017/1131**

1. Reverse repurchase agreements as referred to in Article 15(6) of Regulation (EU) 2017/1131 shall meet established market standards and their terms and conditions shall enable managers of MMFs to fully enforce their rights in case of default of the counterparty to such agreements, or their early termination and give managers of MMFs the unrestricted right to sell any assets received as collateral,
2. The assets referred to in Article 15(6) of Regulation (EU) 2017/1131 shall be subject to a haircut, that is equal to the volatility adjustment figures referred to in tables 1 and 2 of Article 224(1) of Regulation (EU) No 575/2013 for a given residual maturity, in respect of a 5-day liquidation period and the highest assessment in terms of credit quality step.
3. Where necessary, managers of MMFs shall apply an additional haircut to the one referred to in paragraph 2. To assess whether such an additional haircut is necessary, they shall take into account all of the following factors:
  - (a) the credit quality assessment of the counterparty to the reverse repurchase agreement;
  - (b) the margin period of risk, as defined in Article 272(9) of Regulation (EU) No 575/2013;

- (c) the credit quality assessment of the issuer or of the asset that is used as collateral;
- (d) the remaining maturity of the assets used as collateral;
- (e) the volatility of the price of the assets used as collateral.

4. For the purpose of paragraph 3, managers of MMFs shall put in place a clear haircut policy adapted to each asset, referred to in Article 15(6) of Regulation (EU) 2017/1131, received as collateral. That policy shall be documented and shall substantiate each decision to apply a specific haircut to the value of an asset.

5. Managers of MMFs shall regularly revise the haircut referred to in paragraph 2, taking into account changes in the residual maturity of the assets used as collateral. They shall also revise the additional haircut referred to in paragraph 3, whenever the factors referred to in that paragraph change.

6. Paragraphs 1 to 5 shall not apply if the counterparty to the reverse repurchase agreement is any of the following:

- (a) a credit institution supervised under Directive 2013/36/EU of the European Parliament and of the Council <sup>(1)</sup>, or a credit institution authorised in a third country, provided that the prudential supervisory and regulatory requirements are equivalent to those applied in the Union;
- (b) an investment firm supervised under Directive 2014/65/EU of the European Parliament and of the Council <sup>(2)</sup>, or a third country investment firm, provided that the prudential supervisory and regulatory requirements are equivalent to those applied in the Union;
- (c) an insurance undertaking supervised under Directive 2009/138/EC of the European Parliament and of the Council <sup>(3)</sup>, or a third country insurance undertaking, provided that the prudential supervisory and regulatory requirements are equivalent to those applied in the Union;
- (d) a central counterparty authorised under Regulation (EU) No 648/2012 of the European Parliament and of the Council <sup>(4)</sup>;
- (e) the European Central Bank;
- (f) a national central bank;
- (g) a third country central bank, provided that the prudential supervisory and regulatory requirements applied in that country have been recognised as equivalent to those applied in the Union in accordance with Article 114(7) of Regulation (EU) No 575/2013.

### CHAPTER 3

#### CREDIT QUALITY ASSESSMENT CRITERIA

(Article 22 of Regulation (EU) 2017/1131)

#### Article 3

#### **Criteria for validating the internal credit quality assessment methodologies referred to in Article 19(3) of Regulation (EU) 2017/1131**

1. Managers of MMFs shall validate the credit quality assessment methodologies referred to in Article 19(3) of Regulation (EU) 2017/1131 provided they fulfil all of the following criteria:

- (a) the internal credit quality assessment methodologies are applied in a systematic way with respect to different issuers and instruments;
- (b) the internal credit quality assessment methodologies are supported by a sufficient number of relevant qualitative and quantitative criteria;

<sup>(1)</sup> Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

<sup>(2)</sup> Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

<sup>(3)</sup> Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (OJ L 335, 17.12.2009, p. 1).

<sup>(4)</sup> Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (OJ L 201, 27.7.2012, p. 1).

- (c) the internal credit quality assessment methodologies' qualitative and quantitative inputs are reliable, using data samples of an appropriate size;
  - (d) past internal credit quality assessments produced using the internal credit quality assessment methodologies have been properly reviewed by the managers of the MMFs in question to determine whether the credit quality assessment methodologies are a suitable indicator of credit quality;
  - (e) the internal credit quality assessment methodologies contain controls and processes for their development and related approvals that allow for suitable challenge;
  - (f) the internal credit quality assessment methodologies incorporate factors that managers of MMFs deem relevant to determine the credit quality of an issuer or an instrument;
  - (g) the internal credit quality assessment methodologies systematically apply key credit quality assumptions and supporting criteria to produce all credit quality assessments, unless there is an objective reason for diverging from this requirement;
  - (h) the internal credit quality assessment methodologies contain procedures to ensure that the criteria referred to in points (b), (c) and (g) supporting the relevant factors in the internal credit quality assessment methodologies are of a reliable quality and relevant to the issuer or instrument being assessed.
2. As part of the validation process of the internal credit quality assessment methodologies, managers of MMFs shall assess the sensitivity of the methodologies to changes in any of their underlying credit quality assumptions and criteria.
3. Managers of MMFs shall have processes in place to ensure that any anomalies or deficiencies highlighted by the back testing referred to in Article 19(3) of Regulation (EU) 2017/1131 are identified and appropriately addressed.
4. The internal credit quality assessment methodologies referred to in Article 19(3) of Regulation (EU) 2017/1131 shall:
- (a) continue to be used, unless there are objective reasons to conclude that the internal credit quality assessment methodologies have to be changed or to be discontinued;
  - (b) be capable of promptly incorporating any finding from ongoing monitoring or a review, in particular where changes in structural macroeconomic or financial market conditions would potentially affect a credit assessment produced using those internal credit quality assessment methodologies;
  - (c) make it possible to compare past internal credit quality assessments.
5. The internal credit quality assessment methodology referred to in Article 19(3) of Regulation (EU) 2017/1131 shall be promptly improved if any review, including validation, shows that it is not appropriate to ensure systematic credit quality assessment.
6. The internal credit quality assessment procedure shall specify in advance the situations where the internal credit quality assessment is deemed to be favourable.

#### Article 4

##### **Criteria for quantifying credit risk, and the relative risk of default of the issuer and of the instrument, as referred to in Article 20(2)(a) of Regulation (EU) 2017/1131**

1. The criteria for quantifying the credit risk of an issuer, and the relative risk of default of an issuer and of the instrument, referred to in Article 20(2)(a) of Regulation (EU) 2017/1131, shall be the following:
- (a) bond pricing information, including credit spreads and the pricing of comparable fixed income instruments and related securities;
  - (b) pricing of money market instruments relating to the issuer, the instrument or the industry sector;
  - (c) credit default-swap pricing information, including credit default-swap spreads for comparable instruments;
  - (d) default statistics relating to the issuer, the instrument or the industry sector;

- (e) financial indices relating to the geographic location, the industry sector or the asset class of the issuer or instrument;
  - (f) financial information relating to the issuer, including profitability ratios, interest coverage ratio, leverage metrics and the pricing of new issues, including the existence of more junior securities.
2. Where necessary and relevant, managers of MMFs shall apply additional criteria to the ones referred to in paragraph 1.

#### Article 5

##### **Criteria for establishing qualitative indicators in relation to the issuer of the instrument, referred to in Article 20(2)(b) of Regulation (EU) 2017/1131**

1. The criteria for establishing qualitative indicators in relation to the issuer of the instrument, referred to in Article 20(2)(b) of Regulation (EU) 2017/1131, shall be the following:
- (a) an analysis of any underlying assets, which for exposure to securitisation shall include the credit risk of the issuer and the credit risk of the underlying assets;
  - (b) an analysis of any structural aspects of the relevant instruments issued by an issuer, which for structured finance instruments shall include an analysis of the inherent operational and counterparty risk of the structured finance instrument;
  - (c) an analysis of the relevant market(s), including the degree of volume and liquidity of those markets;
  - (d) a sovereign analysis, including the extent of explicit and contingent liabilities and the size of foreign exchange reserves compared to foreign exchange liabilities;
  - (e) an analysis of governance risk relating to the issuer, including frauds, conduct fines, litigation, financial restatements, exceptional items, management turnover, borrower concentration and audit quality;
  - (f) securities-related research on the issuer or market sector;
  - (g) where relevant, an analysis of the credit ratings or rating outlook given to the issuer of an instrument by a credit rating agency registered with the ESMA and selected by the manager of an MMF if suited to the specific investment portfolio of the MMF.
2. Where necessary and relevant, managers of MMFs shall apply additional criteria to the ones referred to in paragraph 1.

#### Article 6

##### **Criteria for establishing qualitative credit risk indicators in relation to the issuer of the instrument, as referred to in Article 20(2)(b) of Regulation (EU) 2017/1131**

Insofar as is possible, managers of MMFs shall assess the following qualitative credit risk criteria for an issuer of an instrument:

- (a) the financial situation of the issuer, or, where applicable, of the guarantor;
- (b) the sources of liquidity of the issuer, or, where applicable, of the guarantor;
- (c) the ability of the issuer to react to future market-wide or issuer-specific events, including the ability to repay debt in a highly adverse situation;
- (d) the strength of the issuer's industry within the economy relative to economic trends and the issuer's competitive position in its industry.

#### Article 7

##### **Overrides**

1. Managers of MMFs may override the output of an internal credit quality assessment methodology only in exceptional circumstances, including stressed market conditions, and where there is an objective reason for doing so. Managers of MMFs which override the output of an internal credit quality assessment methodology shall document that decision.
2. As part of the documenting process referred to in paragraph 1, managers of MMFs shall specify the person who is responsible for the decision as well as the objective reason for taking that decision.

*Article 8***Material change as referred to in Article 19(4)(d) of Regulation (EU) 2017/1131**

1. There will be a material change as referred to in Article 19(4)(d) of Regulation (EU) 2017/1131 whenever:
  - (a) there is a material change with respect to any of the following:
    - (i) bond pricing information, including credit spreads and the pricing of comparable fixed income instruments and related securities;
    - (ii) credit default-swap pricing information, including credit default-swap spreads for comparable instruments;
    - (iii) default statistics relating to the issuer or instrument;
    - (iv) financial indices relating to the geographic location, industry sector or asset class of the issuer or instrument;
    - (v) analysis of underlying assets, in particular for structured instruments;
    - (vi) analysis of the relevant market(s), including their volume and liquidity;
    - (vii) analysis of the structural aspects of the relevant instruments;
    - (viii) securities-related research;
    - (ix) financial situation of the issuer;
    - (x) sources of liquidity of the issuer;
    - (xi) ability of the issuer to react to future market-wide or issuer-specific events, including the ability to repay debt in a highly adverse situation;
    - (xii) strength of the issuer's industry within the economy relative to economic trends and the issuer's competitive position in its industry;
    - (xiii) analysis of the credit ratings or rating outlook given to the issuer or instrument by a credit rating agency or agencies selected by the manager of the MMF as being suited to the specific investment portfolio of the MMF.
  - (b) a money market instrument, securitisation or ABCP is downgraded below the two highest short-term credit ratings provided by any credit rating agency regulated and certified in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council <sup>(1)</sup>.
2. Managers of MMFs shall assess the material change in the criteria referred to in paragraph 1(a) by considering risk factors and the results of the stress test scenarios referred to in Article 28 of Regulation (EU) 2017/1131.
3. For the purpose of paragraph 1(b), managers of MMFs shall establish an internal procedure for the selection of credit rating agencies suited to the specific investment portfolio of the MMF concerned and for the determination of the frequency with which the MMF shall monitor the ratings of those agencies.
4. Managers of MMFs shall take into account a downgrading as referred to in paragraph 1(b) and thereupon carry out their own assessment according to their internal credit quality assessment methodology.
5. The revision of the internal credit quality assessment methodology shall constitute a material change as referred to in Article 19(4)(d) of Regulation (EU) 2017/1131, except if managers of MMFs can substantiate that the change is not material.

*Article 9***Quantitative and qualitative credit quality requirements for assets referred to in Article 15(6)(a) of Regulation (EU) 2017/1131**

Managers of MMFs shall apply Articles 3 to 8 of this Regulation when assessing the credit quality of the liquid transferable securities or money market instruments referred to in Article 15(6)(a) of Regulation (EU) 2017/1131.

<sup>(1)</sup> Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies (OJ L 302, 17.11.2009, p. 1).

*Article 10*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 21 July 2018, with the exception of Article 1 which shall apply from 1 January 2019.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 10 April 2018.

*For the Commission*  
*The President*  
Jean-Claude JUNKER

---

**COMMISSION IMPLEMENTING REGULATION (EU) 2018/991****of 12 July 2018****authorising the placing on the market of hen egg white lysozyme hydrolysate as a novel food under Regulation (EU) 2015/2283 of the European Parliament and of the Council, and amending Commission Implementing Regulation (EU) 2017/2470****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2015/2283 of the European Parliament and of the Council of 25 November 2015 on novel foods, amending Regulation (EU) No 1169/2011 of the European Parliament and of the Council and repealing Regulation (EC) No 258/97 and Commission Regulation (EC) No 1852/2001 <sup>(1)</sup>, and in particular Article 12 thereof,

Whereas:

- (1) Regulation (EU) 2015/2283 provides that only novel foods authorised and included in the Union list may be placed on the market within the Union.
- (2) Pursuant to Article 8 of Regulation (EU) 2015/2283, Commission Implementing Regulation (EU) 2017/2470 <sup>(2)</sup> was adopted, which establishes a Union list of authorised novel foods.
- (3) Pursuant to Article 12 of Regulation (EU) 2015/2283, the Commission is to decide on the authorisation and on the placing on the Union market of a novel food and updating the Union list.
- (4) On 31 August 2016, the company DSM Nutritional Products Ltd, United Kingdom, made a request to the competent authority of Ireland to place hen egg white lysozyme hydrolysate on the Union market as a novel food within the meaning of point (e) of Article 1(2) of Regulation (EC) No 258/97 of the European Parliament and of the Council <sup>(3)</sup>. The application requests for hen egg white lysozyme hydrolysate to be used in food supplements and other food categories, in particular, in non-alcoholic beverages.
- (5) Pursuant to Article 35(1) of Regulation (EU) 2015/2283, any request for placing a novel food on the market within the Union submitted to a Member State in accordance with Article 4 of Regulation (EC) No 258/97 and for which the final decision has not been taken before 1 January 2018, shall be treated as an application submitted under Regulation (EU) 2015/2283.
- (6) While the request for placing hen egg white lysozyme hydrolysate on the market as a novel food within the Union was submitted to a Member State in accordance with Article 4 of Regulation (EC) No 258/97, the application also meets the requirements laid down in Regulation (EU) 2015/2283.
- (7) On 12 May 2017, the competent authority of Ireland issued its initial assessment report. In that report it came to the conclusion that hen egg white lysozyme hydrolysate meets the criteria for novel food set out in Article 3(1) of Regulation (EC) No 258/97.
- (8) On 31 May 2017, the Commission forwarded the initial assessment report to the other Member States. Reasoned objections were raised by the other Member States within the 60-day period laid down in the first subparagraph of Article 6(4) of Regulation (EC) No 258/97 with regard to insufficient information on intended uses and exposure assessment, toxicological data, product specification and production process.
- (9) In view of the objections raised by the other Member States, in particular the insufficient exposure assessment on the potential combined intake from all possible proposed uses the applicant modified the request with regard to the food categories by limiting the use of the novel food only to food supplements. The changes in the proposed uses of the novel food and additional explanations by the applicant alleviated the concerns regarding compliance with Article 7 of Regulation (EU) 2015/2283 to the satisfaction of the Member States and the Commission.

<sup>(1)</sup> OJ L 327, 11.12.2015, p. 1.

<sup>(2)</sup> Commission Implementing Regulation (EU) 2017/2470 of 20 December 2017 establishing the Union list of novel foods in accordance with Regulation (EU) 2015/2283 of the European Parliament and of the Council on novel foods (OJ L 351, 30.12.2017, p. 72).

<sup>(3)</sup> Regulation (EC) No 258/97 of the European Parliament and of the Council of 27 January 1997 concerning novel foods and novel food ingredients (OJ L 43, 14.2.1997, p. 1).

- (10) Those explanations give sufficient grounds to establish that hen egg white lysozyme hydrolysate in the proposed uses and use levels when used as an ingredient in food supplements, complies with Article 12(1) of Regulation (EU) 2015/2283.
- (11) Directive 2002/46/EC of the European Parliament and of the Council <sup>(1)</sup> lays down requirements on food supplements. The use of hen egg white lysozyme hydrolysate should be authorised without prejudice to that Directive.
- (12) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on Plants, Animals, Food and Feed,

HAS ADOPTED THIS REGULATION:

#### *Article 1*

- 1. Hen egg white lysozyme hydrolysate as specified in the Annex to this Regulation shall be included in the Union list of authorised novel foods as provided for in Article 8 of Regulation (EU) 2015/2283.
- 2. The entry in the Union list referred to in the first paragraph shall include the conditions of use and labelling requirements laid down in the Annex to this Regulation.
- 3. The authorisation provided for in this Article shall be without prejudice to the provisions of Directive 2002/46/EC.

#### *Article 2*

The Annex to Implementing Regulation (EU) 2017/2470 is amended in accordance with the Annex to this Regulation.

#### *Article 3*

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 12 July 2018.

*For the Commission*  
*The President*  
Jean-Claude JUNCKER

---

<sup>(1)</sup> Directive 2002/46/EC of the European Parliament and of the Council of 10 June 2002 on the approximation of the laws of the Member States relating to food supplements (OJ L 183, 12.7.2002, p. 51).

## ANNEX

The Annex to Implementing Regulation (EU) 2017/2470 is amended as follows:

(1) The following entry is inserted in Table 1 (Authorised novel foods) in alphabetical order:

| 'Authorised novel food'                   | Conditions under which the novel food may be used                                                |                       | Additional specific labelling requirements                                                                                          | Other requirements |
|-------------------------------------------|--------------------------------------------------------------------------------------------------|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <b>Hen egg white lysozyme hydrolysate</b> | <i>Specified food category</i>                                                                   | <i>Maximum levels</i> | The designation of the novel food on the labelling of food supplements containing it shall be "Hen egg white lysozyme hydrolysate". |                    |
|                                           | Food supplements as defined in Directive 2002/46/EC <sup>(1)</sup> intended for adult population | 1 000 mg/day          |                                                                                                                                     |                    |

<sup>(1)</sup> Directive 2002/46/EC of the European Parliament and of the Council of 10 June 2002 on the approximation of the laws of the Member States relating to food supplements (OJ L 183, 12.7.2002, p. 51).

(2) The following entry is inserted in Table 2 (Specifications) in alphabetical order:

| 'Authorised Novel Food'                   | Specification                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Hen egg white lysozyme hydrolysate</b> | <p><b>Description/Definition:</b></p> <p>Hen egg white lysozyme hydrolysate is obtained from hen egg white lysozyme by an enzymatic process, using subtilisin from <i>Bacillus licheniformis</i>.</p> <p>The product is a white to light yellow powder.</p> <p><b>Specification:</b></p> <p>Protein (TN (*) × 5,30): 80-90 %</p> <p>Tryptophan: 5-7 %</p> <p>Ratio Tryptophan/LNAA (**): 0,18-0,25</p> <p>Degree of hydrolysis: 19-25 %</p> <p>Moisture: &lt; 5 %</p> <p>Ash: &lt; 10 %</p> <p>Sodium: &lt; 6 %</p> <p><b>Heavy metals:</b></p> <p>Arsenic: &lt; 1 ppm</p> <p>Lead: &lt; 1 ppm</p> <p>Cadmium: &lt; 0,5 ppm</p> <p>Mercury: &lt; 0,1 ppm</p> <p><b>Microbiological criteria:</b></p> <p>Total aerobic count: &lt; 10<sup>3</sup> CFU/g</p> <p>Total combined yeasts/moulds count: &lt; 10<sup>2</sup> CFU/g</p> <p>Enterobacteria: &lt; 10 CFU/g</p> <p><i>Salmonella</i> spp: Absence in 25 g</p> <p><i>Escherichia coli</i>: Absence in 10 g</p> <p><i>Staphylococcus aureus</i>: Absence in 10 g</p> <p><i>Pseudomonas aeruginosa</i>: Absence in 10 g</p> <p>(*) TN: total nitrogen</p> <p>(**) LNAA: large neutral amino acids'</p> |

# DECISIONS

## POLITICAL AND SECURITY COMMITTEE DECISION (CFSP) 2018/992

of 11 July 2018

**on the appointment of the EU Mission Force Commander of the European Union military mission to contribute to the training of Somali security forces (EUTM Somalia) (EUTM Somalia/1/2018)**

THE POLITICAL AND SECURITY COMMITTEE,

Having regard to the Treaty on European Union, and in particular Article 38 thereof,

Having regard to Council Decision 2010/96/CFSP of 15 February 2010 on a European Union military mission to contribute to the training of Somali security forces <sup>(1)</sup>, and in particular Article 5 thereof,

Whereas:

- (1) Pursuant to Article 5(1) of Decision 2010/96/CFSP, the Council authorised the Political and Security Committee (PSC), in accordance with Article 38 of the Treaty on European Union, to take the relevant decisions concerning the political control and strategic direction of the European Union military mission to contribute to the training of Somali security forces (EUTM Somalia), including the decisions to appoint the subsequent EU Mission Commanders.
- (2) Council Decision (CFSP) 2017/971 <sup>(2)</sup> amended the chain of command of EUTM Somalia. Consequently, Political and Security Committee Decision (CFSP) 2016/396 <sup>(3)</sup> was repealed, and Brigadier General Maurizio MORENA was appointed as the EU Mission Force Commander of EUTM Somalia.
- (3) On 26 June 2017, the PSC adopted Decision (CFSP) 2017/1160 <sup>(4)</sup> appointing Colonel Pietro ADDIS to succeed Brigadier General Maurizio MORENA as the EU Mission Force Commander of EUTM Somalia.
- (4) On 18 June 2018, the EU Military Committee recommended that the PSC appoint Colonel Matteo Giacomo SPREAFICO to succeed Brigadier General Pietro ADDIS as the EU Mission Force Commander of EUTM Somalia as from 16 July 2018.
- (5) In accordance with Article 5 of Protocol No 22 on the position of Denmark, annexed to the Treaty on European Union and to the Treaty on the Functioning of the European Union, Denmark does not participate in the elaboration and the implementation of decisions and actions of the Union which have defence implications. Consequently, Denmark is not participating in the adoption of this Decision and is neither bound by it nor subject to its application,

HAS ADOPTED THIS DECISION:

### Article 1

Colonel Matteo Giacomo SPREAFICO is hereby appointed as the EU Mission Force Commander of the European Union military mission to contribute to the training of Somali security forces (EUTM Somalia) as from 16 July 2018.

<sup>(1)</sup> OJ L 44, 19.2.2010, p. 16.

<sup>(2)</sup> Council Decision (CFSP) 2017/971 of 8 June 2017 determining the planning and conduct arrangements for EU non-executive military CSDP missions and amending Decisions 2010/96/CFSP on a European Union military mission to contribute to the training of Somali security forces, 2013/34/CFSP on a European Union military mission to contribute to the training of the Malian armed forces (EUTM Mali) and (CFSP) 2016/610 on a European Union CSDP military training mission in the Central African Republic (EUTM RCA) (OJ L 146, 9.6.2017, p.133).

<sup>(3)</sup> Political and Security Committee Decision (CFSP) 2016/396 of 15 March 2016 on the appointment of the EU Mission Commander for the European Union military mission to contribute to the training of Somali security forces (EUTM Somalia) and repealing Decision (CFSP) 2015/173 (EUTM Somalia/1/2016) (OJ L 73, 18.3.2016, p. 99).

<sup>(4)</sup> Political and Security Committee Decision (CFSP) 2017/1160 of 26 June 2017 on the appointment of the EU Mission Force Commander of the European Union military mission to contribute to the training of Somali security forces (EUTM Somalia) (EUTM Somalia/1/2017) (OJ L 167, 30.6.2017, p. 37).

*Article 2*

This Decision shall enter into force on the date of its adoption.

Done at Brussels, 11 July 2018.

*For the Political and Security Committee*  
*The Chairperson*  
W. STEVENS

---

**COMMISSION DECISION (EU) 2018/993****of 11 July 2018****amending Decisions (EU) 2017/1214, (EU) 2017/1215, (EU) 2017/1216, (EU) 2017/1218 and (EU) 2017/1219 as regards the duration of the transitional period***(notified under document C(2018) 4312)***(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EC) No 66/2010 of the European Parliament and of the Council of 25 November 2009 on the EU Ecolabel <sup>(1)</sup>, and in particular Article 8(2) thereof,

After consulting the European Union Ecolabelling Board,

Whereas:

- (1) Commission Decision 2011/382/EU <sup>(2)</sup> was replaced by Commission Decision (EU) 2017/1214 <sup>(3)</sup> setting revised criteria and requirements for hand dishwashing detergents. In order to provide the producers whose products have been awarded the EU Ecolabel for hand dishwashing detergents on the basis of the criteria set out in Decision 2011/382/EU with sufficient time to adapt their products to comply with Decision (EU) 2017/1214, that Decision lays down a transitional period. That transitional period of 12 months expires on 22 June 2018.
- (2) Commission Decision 2012/720/EU <sup>(4)</sup> was replaced by Commission Decision (EU) 2017/1215 <sup>(5)</sup> setting revised criteria and requirements for industrial and institutional dishwasher detergents. In order to provide the producers whose products have been awarded the EU Ecolabel for industrial and institutional dishwasher detergents on the basis of the criteria set out in Decision 2012/720/EU with sufficient time to adapt their products to comply with Decision (EU) 2017/1215, that Decision lays down a transitional period. That transitional period of 12 months expires on 22 June 2018.
- (3) Commission Decision 2011/263/EU <sup>(6)</sup> was replaced by Commission Decision (EU) 2017/1216 <sup>(7)</sup> setting revised criteria and requirements for dishwasher detergents. In order to provide the producers whose products have been awarded the EU Ecolabel for dishwasher detergents on the basis of the criteria set out in Decision 2011/263/EU with sufficient time to adapt their products to comply with Decision (EU) 2017/1216, that Decision lays down a transitional period. That transitional period of 12 months expires on 22 June 2018.
- (4) Commission Decision 2011/264/EU <sup>(8)</sup> was replaced by Commission Decision (EU) 2017/1218 <sup>(9)</sup> setting revised criteria and requirements for laundry detergents. In order to provide the producers whose products have been awarded the EU Ecolabel for laundry detergents on the basis of the criteria set out in Decision 2011/264/EU with sufficient time to adapt their products to comply with Decision (EU) 2017/1218, that Decision lays down a transitional period. That transitional period of 12 months expires on 22 June 2018.

<sup>(1)</sup> OJ L 27, 30.1.2010, p. 1.

<sup>(2)</sup> Commission Decision 2011/382/EU of 24 June 2011 on establishing the ecological criteria for the award of the EU Ecolabel to hand dishwashing detergents (OJ L 169, 29.6.2011, p. 40).

<sup>(3)</sup> Commission Decision (EU) 2017/1214 of 23 June 2017 establishing the EU Ecolabel criteria for hand dishwashing detergents (OJ L 180, 12.7.2017, p. 1).

<sup>(4)</sup> Commission Decision 2012/720/EU of 14 November 2012 establishing the ecological criteria for the award of the EU Ecolabel for Industrial and Institutional Automatic Dishwasher Detergents (OJ L 326, 24.11.2012, p. 25).

<sup>(5)</sup> Commission Decision (EU) 2017/1215 of 23 June 2017 establishing the EU Ecolabel criteria for industrial and institutional dishwasher detergents (OJ L 180, 12.7.2017, p. 16).

<sup>(6)</sup> Commission Decision 2011/263/EU of 28 April 2011 on establishing the ecological criteria for the award of the EU Ecolabel to detergents for dishwashers (OJ L 111, 30.4.2011, p. 22).

<sup>(7)</sup> Commission Decision (EU) 2017/1216 of 23 June 2017 establishing the EU Ecolabel criteria for dishwasher detergents (OJ L 180, 12.7.2017, p. 31).

<sup>(8)</sup> Commission Decision 2011/264/EU of 28 April 2011 on establishing the ecological criteria for the award of the EU Ecolabel for laundry detergents (OJ L 111, 30.4.2011, p. 34).

<sup>(9)</sup> Commission Decision (EU) 2017/1218 of 23 June 2017 establishing the EU Ecolabel criteria for laundry detergents (OJ L 180, 12.7.2017, p. 63).

- (5) Commission Decision 2012/721/EU <sup>(1)</sup> was replaced by Commission Decision (EU) 2017/1219 <sup>(2)</sup> setting revised criteria and requirements for industrial and institutional laundry detergents. In order to provide the producers whose products have been awarded the EU Ecolabel for industrial and institutional laundry detergents on the basis of the criteria set out in Decision 2012/721/EU with sufficient time to adapt their products to comply with Decision (EU) 2017/1219, that Decision lays down a transitional period. That transitional period of 12 months expires on 22 June 2018.
- (6) A number of national bodies that award EU Ecolabels have informed the Commission of the need to prolong those transitional periods by 6 months due to a large volume of applications for renewal of contracts granting the EU Ecolabels. The Commission has carried out an assessment that has confirmed the necessity to extend the transitional periods by 6 months.
- (7) Decisions (EU) 2017/1214, (EU) 2017/1215, (EU) 2017/1216, (EU) 2017/1218 and (EU) 2017/1219 should therefore be amended accordingly.
- (8) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 16 of Regulation (EC) No 66/2010,

HAS ADOPTED THIS DECISION:

#### *Article 1*

In Article 7 of Decision (EU) 2017/1214, paragraph 3 is replaced by the following:

‘3. EU Ecolabel licenses awarded in accordance with the criteria set out in Decision 2011/382/EU may be used until 22 December 2018.’

#### *Article 2*

In Article 7 of Decision (EU) 2017/1215, paragraph 3 is replaced by the following:

‘3. EU Ecolabel licenses awarded in accordance with the criteria set out in Decision 2012/720/EU may be used until 26 December 2018.’

#### *Article 3*

In Article 7 of Decision (EU) 2017/1216, paragraph 3 is replaced by the following:

‘3. EU Ecolabel licenses awarded in accordance with the criteria set out in Decision 2011/263/EU may be used until 26 December 2018.’

#### *Article 4*

In Article 7 of Decision (EU) 2017/1218, paragraph 3 is replaced by the following:

‘3. EU Ecolabel licenses awarded in accordance with the criteria set out in Decision 2011/264/EU may be used until 26 December 2018.’

#### *Article 5*

In Article 7 of Decision (EU) 2017/1219, paragraph 3 is replaced by the following:

‘3. EU Ecolabel licenses awarded in accordance with the criteria set out in Decision 2012/721/EU may be used until 26 December 2018.’

<sup>(1)</sup> Commission Decision 2012/721/EU of 14 November 2012 establishing the ecological criteria for the award of the EU Ecolabel for Industrial and Institutional Laundry Detergents (OJ L 326, 24.11.2012, p. 38).

<sup>(2)</sup> Commission Decision (EU) 2017/1219 of 23 June 2017 establishing the EU Ecolabel criteria for industrial and institutional laundry detergents (OJ L 180, 12.7.2017, p. 79).

*Article 6*

This Decision is addressed to the Member States.

Done at Brussels, 11 July 2018.

*For the Commission*  
Karmenu VELLA  
*Member of the Commission*

---



