
Navigating Article 21c of CRD VI: The New Cross-Border Lending Restrictions in Practice

Date: 10/09/26

[External Link: Navigating Article 21c of CRD VI: The New Cross-Border Lending Restrictions in Practice](#)

Article 21c of CRD VI will prohibit non-EU credit institutions from providing core banking services to borrowers in the EU on a cross-border basis, unless an exemption applies or the bank operates through an authorized EU branch or subsidiary. For lenders and borrowers active in European markets, the restrictions mark a significant change in how cross-border credit is structured, documented and delivered.

The restrictions will apply from January 11, 2027 and will cover syndicated lending, bilateral corporate loans, fund finance and letters of credit. Timing is critical: contracts entered into after July 11, 2026 cannot benefit from grandfathering. Facilities signed, amended or refinanced since that date should therefore be assessed now, ahead of the January 2027 application date.

Non-EU credit institutions, such as London-based and New York-based banks serving EU clients cross-border, are in scope. Most prominent non-EU banks operating in Europe have already restructured their operations post-Brexit, so CRD VI has limited impact on their European lending arrangements. In practice, the restriction tends to have the greatest impact on the documentation of New York law-governed facilities.

Cahill's alert examines how far the cross-border prohibition reaches, where the key exemptions and transitional protections lie, where the practical exposure sits for lenders and how the market is adapting its loan documentation in response.

Read the full alert below.

Attorneys

- Jeremy Duffy
- Shane McDonald
- Christina Jowett

Practices

- Banking & Finance
- Capital Markets
- European Leveraged Finance