



Public Hearing on Consultation paper on Supervisory Reporting and disclosures of investment firms

30th June 2020, Paris

Outline

- 1** Consultation paper on supervisory reporting and disclosures - Introduction

- 2** Draft ITS on supervisory reporting and disclosures
 - Supervisory Reporting
 - Disclosures

- 3** Draft RTS on the monitoring of information related to the thresholds for credit institutions

- 4** Questions

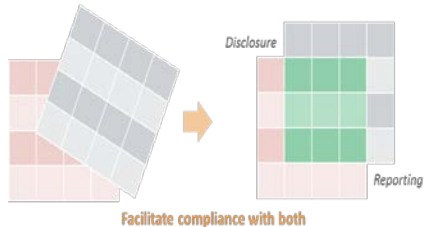
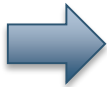
CP Content	Timeline	Supervisory reporting	Disclosures	Questions
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1 New ITS on supervisory reporting and disclosures of investment firms



- Covers all supervisory **reporting and disclosures** requirements for investment firms under IFR
- There are commonalities of the information that investment firms have to report to their supervisors and the regulatory information that they have to make public in the interest of investors and external stakeholders

Integration of Pillar 3 information (disclosure) into the reporting framework



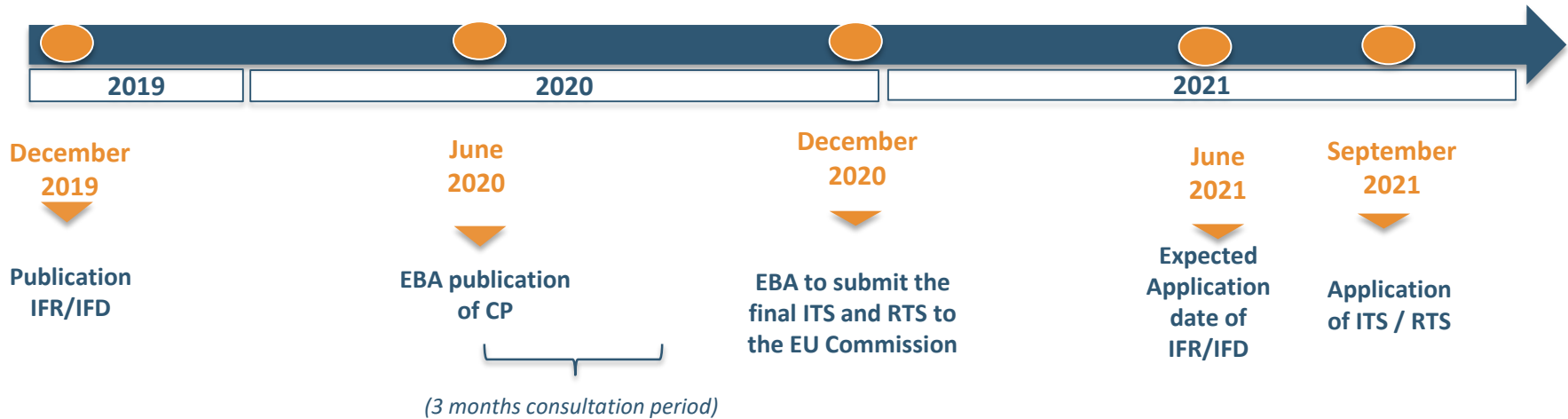
2 New RTS on the monitoring of information related to the thresholds for credit institutions



- The consultation paper proposes a draft RTS on the monitoring of information related to the thresholds for credit institutions (under Article 55(5) of the IFR)
- A set of templates have been developed in order to assist competent authorities in the monitoring of this information

Consultation paper on supervisory reporting and disclosures

CP Content	Timeline	Supervisory reporting	Disclosures	Questions
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Phase 1

ITS and RTS



Consultation paper	Final draft ITS & RTS	Reporting reference date	Disclosures applicable
June 2020	December 2020	September 2021	26 June 2021

Submission to EU Commission: 26 December 2020

CP Content

Timeline

Supervisory reporting

Disclosures

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1

Draft ITS on supervisory reporting and disclosures

Mandate IFR

Article 54 Reporting requirements

- (a) level and composition of own funds
- (b) own funds requirements
- (c) own funds requirement calculations
- (d) the level of activity in respect of the conditions set out in Article 12(1), including the balance sheet and revenue breakdown by investment service and applicable K-factor
- (e) Concentration risk
- (f) Liquidity risk

Proportionality

- Specific requirements for Small and non interconnected investment firms:
 - **Lower reporting frequency for**
 - **Slightly lower level of breakdowns** in the templates
 - **Exemptions** (concentration risk and liquidity requirements)

Reporting frequency

Class 2 Ifs

IFs other than small and non-interconnected IFs

Quarterly

Class 3 IFs

Small and non-interconnected IF

Annually

Consultation paper on supervisory reporting and disclosures

CP Content	Timeline	Supervisory reporting	Disclosures	Questions
		Class 2		Class 3
Own funds		<ul style="list-style-type: none"> Includes information on the level, composition of own funds as well as the own fund requirements and their calculation 		Simplified version of the templates
Small and non-interconnected IFs		<ul style="list-style-type: none"> Includes the necessary information to determine if an IF could be classified as class 2 or 3 		Required
K – factor requirements		<ul style="list-style-type: none"> Includes additional details on the calculation of the K-factors Additional templates from COREP have been included* 		Not required
Concentration risk		<ul style="list-style-type: none"> Includes information on calculation of K-factor on concentration risk and level of concentration risk associated to different activities 		Exempted
Liquidity requirements		<ul style="list-style-type: none"> Includes information based on the requirements of the LCR Delegated Act but adapted to the business and activity of IF 		Exempted subject to NCA discretion
Group capital test		<ul style="list-style-type: none"> Includes information to be provided in those cases when sufficiently simple group structures are allowed to apply Article 8 IFR The information is included in 3 templates 		

Templates structure

* A question has been included in the Consultation paper

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2 Draft RTS on the effective monitoring of the thresholds set out in points (a) and (b) of Article 8a(1) of Directive 2013/36/EU8

Mandate IFR

Article 55

Reporting requirements for certain investment firms, including for the purposes of the thresholds referred to in Article 1(2) of this Regulation and in point (1)(b) of Article 4(1) of Regulation (EU) No 575/2013

Reporting frequency

- The templates shall be reported in **Quarterly basis**

Templates structure

- This RTS specifies, on the basis of Articles 55 IFR, the templates according to which IF are required to report information related to their **(consolidated) total assets** for the ongoing monitoring of the thresholds (mainly the 30 bn threshold)
- Reporting of individual data and group aggregates by individual investment firms (1 template)
- Reporting of group aggregates and entity-by-entity data by investment firms groups (2 templates)

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Draft ITS on supervisory reporting and disclosures

Mandate IFR

Article 49 Own funds

1. Investment firms shall disclose the following information regarding their own funds, in accordance with Article 46:
 - (a) a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and applicable filters and deductions applied to own funds of the investment firm and the balance sheet in the audited financial statements of the investment firm;
 - (b) a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the investment firm;
 - (c) a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments and deductions to which those restrictions apply.

Application

- The disclosures requirements included in this ITS apply to:**
 - Class 2 IFs
 - Class 3 IFs which issue Additional Tier 1 instruments

- Starting from **26 June 2021**

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Disclosure templates structure

INVESTMENT FIRMS DISCLOSURE			
Template number	Template code	Name	Legislative reference
		OWN FUNDS	
1	IF CC1	COMPOSITION OF REGULATORY OWN FUNDS	Art 49(1)(c)
2	IF CC2	OWN FUNDS RECONCILIATION WITH AUDITED FINANCIAL STATEMENTS	Art 49(1)(a)
3	IF CCA	OWN FUNDS MAIN FEATURES	Art 49(1)(b)

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Disclosure templates structure

Class 2

Class 3

Template IF EU
CC1



- Includes necessary information on composition of own funds, the applicable filters and deductions applied to own funds of the investment firms
- Includes the reconciliation of these items with the relevant items of the institutions' audited balance sheet
- All restrictions applied to the calculation of own funds are described
- Is based on the reporting template on own funds

Applies with a
simplified version of
the templates

Template IF EU
CC2



- Includes information on full reconciliation of CET1 items, AT1 items, T2 items and applicable filters and deductions applied to own funds and the balance sheet in the audited financial statements of the IF
- Is based on the disclosure templates already existing under the CRR, namely template EU CC2

Applies

Template IF EU
CCA



- Requires to disclose a description of the main features of the CET1, AT1 and T2 instruments
- It has been developed taking as a basis the template on main features of regulatory own funds instruments and eligible liabilities instruments

Applies

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Thank You!





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