



## **Consultation paper on the draft ITS on supervisory disclosure under the Investment Firms Directive (Consultation Paper EBA/CP/2021/02)**

Public hearing, EBA

19 March 2021, Paris

# Content



1. New prudential framework for investment firms
2. Consultation paper on supervisory disclosure under the IFD
3. Q&As

## Background information and general objectives



- Under the new prudential framework for investment firms ([Directive \(EU\) 2019/2034](#) (IFD) and [Regulation \(EU\) 2019/2033](#) (IFR)) a significant number of **mandates are given to the EBA**
- The EBA is mandated to further specify, develop and determine a **prudential framework** for investment firms to ensure a level playing field among investment firms across the EU and supervisory convergence
- The EBA is strongly **committed to implementing** new framework for investment firms where it plays a significant role
- The EBA will ensure a **proportionate implementation** of this new framework to take account of the different classes of investments firms

# Roadmap on Investment firms

- On 4 June 2020 the EBA published the **Roadmap** on Investment firms which outlines all mandates under the IFR/IFD framework ([link to IF-Roadmap](#))
- Mandates are grouped in **six thematic areas**
- The mandates include:
  - 18 RTS, 3 ITS, 6 sets of guidelines, 2 reports
  - 2 mandates are related to ESG aspects
  - the requirement for the EBA to maintain a list of capital instruments and a database of administrative sanctions

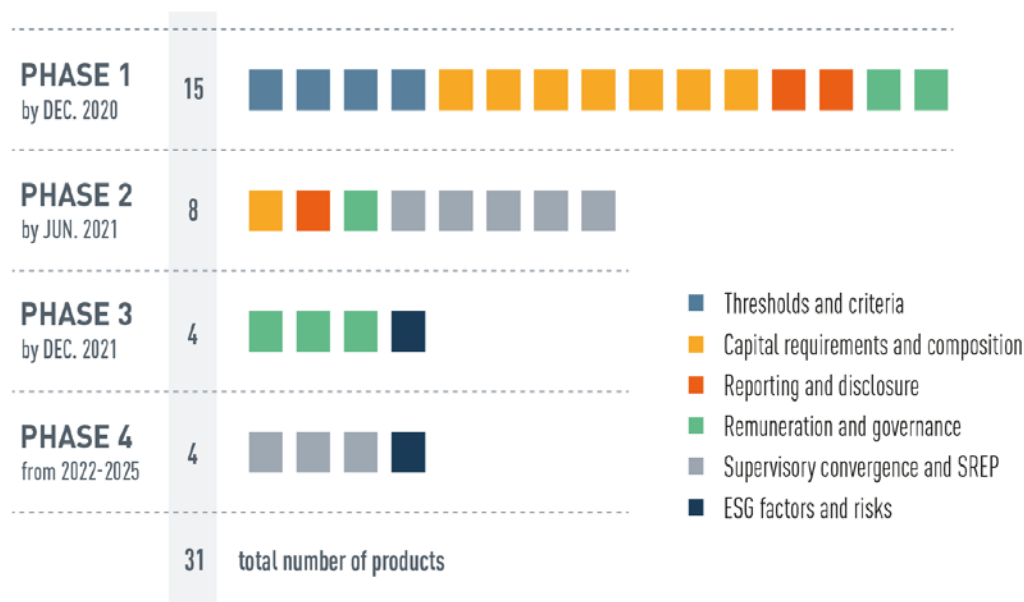


# Four phase approach for delivering the EBA mandates



- Mandates will be implemented through a **four** phase approach

- Phases are divided according to:
  - IFR/IFD deadlines
  - an area of mandates



- For implementing a **part of Phase 2**, the EBA has published a **consultation paper** on a mandate related to supervisory disclosure

## Public consultation



- The EBA published this Consultation Paper on 11 February 2021
- Public consultation ends on **11 May 2021**
- Responses only via EBA webpage (click on ‘Send your comments’, [link](#))
- Respond to the questions with clear rationale, describe alternatives and provide evidence to support your view.
- Indicate if your response can be disclosed or should be confidential
- ✗ **Late submissions** will not be accepted
- These slides will be available at EBA website > Regulation and policy > Investment Firms
- The EBA will submit the final draft ITS to the European Commission by June 2021

# ITS on supervisory disclosure under the IFD: mandate



## ○ Article 57(4) of the IFD: publication requirements

- ‘EBA, in consultation with ESMA, shall develop draft implementing technical standards to determine **the format, structure, content lists and annual publication date** of the information listed in [Article 57] paragraph 1.’

## ○ Key aspects

- **templates** are divided into four annexes in accordance with the area of the information [referred to in Article 57(1) of the IFD] that competent authorities shall make public:
  - rules and guidance (Annex I)
  - options and national discretions (Annex II)
  - supervisory review and evaluation process criteria and methodologies (Annex III)
  - aggregate statistical data (Annex IV)

# ITS on supervisory disclosure under the IFD: key aspects



## ○ Key aspects

- Draft ITS and its templates are based on [Regulation \(EU\) No 650/2014](#) (mandated under Article 143 of CRD)
- Investment firms subject to [Directive 2013/36/EU](#) and Regulation (EU) No 575/2013 will be in the scope of current [Regulation \(EU\) No 650/2014](#)
- Annual publication date each year by 30 June with reference date to 31 December
- When publishing this information, the competent authorities shall not disclose any supervisory measures directed at specific investment firms, whether taken with respect to a single investment firm or a group of investment firms.



# ITS on supervisory disclosure under the IFD: structure



Structure of the  
draft ITS

- Article 1: Laws, regulations, administrative rules and general guidance
- Article 2: Options and discretions
- Article 3: General criteria and methodologies for supervisory review and evaluation process
- Article 4: Aggregated statistical data
- Article 5: Annual publication date
- Article 6: Final provisions

# Templates: Annex I – Rules and guidance



- Mandate under point (a) of Article 57(1) of the IFD:

1. Competent authorities shall make public all of the following information:

*'(a) the texts of laws, regulations, administrative rules and general guidance adopted in their Member State pursuant to this Directive;*

- Four parts of Annex I are divided into areas of the mandate:

- Part 1. Transposition of Directive (EU) 2019/2034
- Part 2. Model approval
- Part 3. Specific disclosure requirements applied to IF
- Part 4. Regulatory reporting

# Templates: Annex II – Options and discretions



- Mandate under point (b) of Article 57(1) of the IFD:
  1. Competent authorities shall make public all of the following information:  
*'(b) the manner of exercise of the options and discretions available pursuant to this Directive and to Regulation (EU) 2019/2033;'*
  
- Three parts of Annex II are divided into areas of the mandate:
  - Part 1. Options and discretions set out in IFD and IFR
  - Part 2. Transitional options and discretions set out in IFD and IFR
  - Part 3. Variable elements of remuneration (Article 32 of IFD)

# Templates: Annex III – Supervisory review and evaluation process (SREP)



- Mandate under point (c) of Article 57(1) of the IFD:
  1. Competent authorities shall make public all of the following information:  
*‘(c) the general criteria and methodologies they use in the supervisory review and evaluation referred to in Article 36 of this Directive;’*
  
- Annex III contains one template on the information on scope of application of SREP, assessment of SPER elements, Review and evaluation of ICAAP and ILAAP

# Templates: Annex IV - Aggregate Statistical Data



- Mandate under point (d) of Article 57(1) of the IFD:

1. Competent authorities shall make public all of the following information:

*‘(d) aggregate statistical data on key aspects of the implementation of this Directive and of Regulation (EU) 2019/2033 in their Member State, including the number and nature of supervisory measures taken in accordance with point (a) of Article 39(2) of this Directive and of administrative sanctions imposed in accordance with Article 18 of this Directive.’*

- Four parts of Annex IV are divided into areas of the mandate:

- Part 1. Individual data per Competent Authority
- Part 2. Data on market risk
- Part 3. Data on supervisory measures and administrative penalties
- Part 4. Data on exemptions

Thank you!

If you have a question,  
please raise your hand





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