



Draft Implementing technical standards amending Commission Implementing Regulation (EU) No 650/2014 on the format, structure, contents list and annual publication date of the supervisory information to be disclosed by competent authorities in accordance with Article 143(3) of Directive 2013/36/EU of the European Parliament and of the Council

Public hearing, London 17 November 2017

Outline



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Background: CRD IV mandate



- The **legal basis** of both the draft revised ITS and of its related Annexes remain **unchanged**.
- **Article 143 of CRD IV** "Competent Authorities shall publish the following information:
 - *texts of laws, regulations, administrative rules and general guidance adopted in MS in the field of prudential regulation*
 - *the manner of exercise of the options and discretions available in Union legislation*
 - *the general criteria and methodologies used in the SREP (Art 92 CRD IV)*
 - *Aggregate statistical data on key aspects of the implementation of the prudential framework in each MS, including the number and nature of supervisory measures*

Background: CRD IV mandate (II)



- In accordance with Art. 143(2) of CRD IV, the information published shall be sufficient to enable a **meaningful comparison** of the approaches adopted by competent authorities, including the number and nature of supervisory measures and of administrative sanctions.
- In accordance with Art. 143(3) of CRD IV, EBA mandated to draft an ITS to determine the **format, structure, contents list and annual publication date** of the information.

Rational revised ITS



- EBA's Board of Supervisor **mandated**:
 - The revision of the ITS on supervisory disclosure by updating the list of national options and discretions so that future discussions could focus on those with a higher impact on comparability.
 - On case-by-case options, it was agreed that they would not be included in the ITS but included in the EBA's work for further analysis on their impact.

- The original ITS was published on the EU Official Journal on 4 June 2014; since then several changes occurred:
 - Changes in the EU legal framework
 - Establishment of the Single Supervisory Mechanism (SSM)

Rational revised ITS (II)



- The draft ITS need amendment to reflect:
 - New regulation came into force after the endorsement of this ITS.
 - LCR Delegated Act
 - EBA Guidelines on SREP
 - Split of the scope and responsibilities between the ECB SSM and national competent authorities within of the SSM.
 - Clarify the level of consolidation to be applied when aggregating the data.
 - Correction of wrong formulas in the aggregate statistical data.

- Amendment to existing ITS, including instructions to fill in the templates.

Main features of the amending ITS



- Proposed to amend Article 5 to clarify the **level of consolidation** to be applied and the **reporting scope** of the ECB and national competent authorities as regards SSM jurisdictions.
- A consistent methodology for computing the data based on existing data sources should be applied and this methodology should reflect how **supervision** is carried out by the CAs.
 - ECB shall report for significant groups and institutions
 - while NCAs within SSM shall report for less significant groups and institutions.
- **Reference date**, year-end data of the preceding year, and **remittance date** 31 July remain unchanged.
- **Maintained** templates: Limited changes with regard to the structure and content of the templates.
- New **redesigned** template on options and discretions (Annex II).
- **New Annex V: Instructions** to fill in the templates developed following a bottom-up approach.

Content: Rules and guidance and options and discretions



- Rules and Guidance, **Annex I:**
 - Proposed to include information for market and counterparty credit risk in the model approval section.
- Options and Discretions (O&Ds), **Annex II:**
 - Annex II on options and discretions available in Union Law should be revised adding the options and discretions stemming from the LCR delegated act.
 - Split in two parts of O&Ds of transitional or permanent nature of those options and discretions.
 - Third part covering Remuneration O&Ds.
 - Differentiation between O&Ds addressed to credit institutions and investment firms.
 - Enhance transparency with regard to the scope of the powers of the CA, acknowledging that Member State and CAs may take different approaches.

Content: SREP and aggregate statistical data



- SREP, **Annex III**:
 - Current template based on the former CEBS Guidelines on SREP.
 - It is proposed to incorporate EBA's new Guidelines on SREP (Supervisory Review and Evaluation Process) which introduces the Internal Liquidity Adequacy Assessment Process ('ILAAP') assessment process.
- Aggregate statistical data, **Annex IV**:
 - It is proposed to move from the 'Host Approach' in accordance with the former CEBS guideline to '**Consolidated Approach**' in line with the existing reporting framework with the aim of avoiding additional burden.
 - Part 1 of Annex IV 'Data on national financial sector' has been renamed to 'Consolidated Data per Competent Authority' and updated subsequently.
 - Minor amendments in Part 1, 2, 4 and 5.
 - The wrong references in the formula cells, discovered during the application of this regulation, have been also corrected

Content: Instructions



- **New Annex V, Instructions:**
 - Left out in the original ITS.
 - Proposed to include the legally binding text in relation to the instructions.
 - New Annex V should enhance the quality of the information to enable a meaningful comparison of the approaches adopted by the CAs.

Tentative timeline

Date	Milestones
22 September 2017	Publication of Consultation Paper
22 December 2017	Closure of Consultation Phase
2018 Q1	Review Comments in response to the Consultation Paper and preparation final revised draft ITS
	Review final revised draft ITS by internal committees and Board of Supervisor of the EBA.
	Submission revised draft ITS to the Commission

Q&A



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