

EBA/CP/2014/04

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07 April 2014

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# Consultation Paper

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Draft Guidelines  
on the remuneration benchmarking exercise

# Contents

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<b>1. Responding to this consultation</b>	<b>3</b>
<b>2. Executive summary</b>	<b>4</b>
<b>3. Background and rationale</b>	<b>5</b>
<b>4. Draft EBA Guidelines on the remuneration benchmarking exercise</b>	<b>7</b>
<b>Title I – Subject matter, definitions and scope</b>	<b>9</b>
<b>Title II – Scope of the data collection</b>	<b>10</b>
<b>Title III – Requirements regarding the format and frequency of the reporting for the remuneration benchmarking exercise</b>	<b>11</b>
<b>Title IV – Other provisions; date of application</b>	<b>13</b>
Annex 1 – Information on remuneration for all staff	14
Annex 2 – Information on remuneration of identified staff	16
Annex 3 – Information on individuals remunerated EUR 1 million or more per financial year	21
<b>5. Accompanying documents</b>	<b>22</b>
5.1 Draft cost-benefit analysis / impact assessment	22
5.2 Overview of questions for consultation	24
5.3 Views of the Banking Stakeholder Group (BSG)	25

# 1. Responding to this consultation

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The European Banking Authority (EBA) invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in section 5.2.

Comments are most helpful if they:

- respond to the question posed;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed / rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

## Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by 07.05.2014. Please note that comments submitted after this deadline, or submitted by other means may not be processed.

## Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

## Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EC) No 45/2001 of the European Parliament and of the Council of 18 December 2000 as implemented by the EBA in its implementing rules adopted by its Management Board. Further information on data protection can be found in the Legal notice section of the EBA website.

## 2. Executive summary

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The European Banking Authority (EBA) is updating its 'Guidelines on the remuneration benchmarking exercise', which was originally published on 27 July 2012, following the changes to the reporting requirements set out in Regulation (EU) No 575/2013 and Directive 2013/36/EU. The changes to the Guidelines are limited to the adoption of changed requirements of the Regulation and Directive and some additional clarifications to ensure high quality of the data collected. Therefore the EBA is consulting on the updated Guidelines only for a limited time period of one month.

In particular the templates have been revised, by introducing a more granular collection of remuneration for different business areas, control and corporate functions that were included in the 'All other' functions section of the previous template. This ensures that the data can be benchmarked for different classes of staff. The EBA has also included the specific disclosure requirements which were introduced by Article 450 of Regulation (EU) No 575/2013.

Directive 2013/36/EC requires the competent authorities to benchmark remuneration practices and for this purpose to use the data disclosed by institutions. The information provided by the competent authorities has to be forwarded to the EBA, which will benchmark remuneration practices at Union level. The new reporting format will apply for the collection of data as from the financial year 2013.

## 3. Background and rationale

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1. Article 75(1) of Directive 2013/36/EU states that '[c]ompetent authorities shall collect the information disclosed in accordance with the criteria for disclosure established in points (g), (h) and (i) of Article 450(1) of Regulation (EU) No 575/2013 and shall use it to benchmark remuneration trends and practices. The competent authorities shall provide EBA with that information.' Paragraph 2 of Article 75(2) reads 'EBA shall use the information received from the competent authorities in accordance with paragraph 1 to benchmark remuneration trends and practices at Union level.'
2. Points (g), (h) and (i) of Article 450(1) of Regulation (EU) No 575/2013 set out certain information that institutions are required to disclose. These requirements entered into force on 1 January 2014 and apply to disclosures made after this date, independent of the period to which the disclosed information refers. The disclosure requirements apply to the consolidated level and significant subsidiaries. Article 450 of Regulation (EU) No 575/2013 points (g), (h) and (i) require the disclosure of the following:
  - (g) aggregate quantitative information on remuneration, broken down by business area;
  - (h) aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following:
    - (i) the amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries;
    - (ii) the amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types;
    - (iii) the amounts of outstanding deferred remuneration, split into vested and unvested portions;
    - (iv) the amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments;
    - (v) new sign-on and severance payments made during the financial year, and the number of beneficiaries of such payments;
    - (vi) the amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person;
  - (i) the number of individuals remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of

EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million.’

3. Regarding the above point h(iv), the EBA decided to collect these figures for clawed back variable remuneration within one data field and not to differentiate between remuneration paid in the last financial year and earlier periods. As variable remuneration is awarded after the performance period and only paid out after deferral periods, *ex post* performance adjustments are only done after the award of the variable remuneration, which in general takes place in the next financial year.
4. The EBA had a similar mandate under CRD III and, on 27 July 2012, published ‘Guidelines on the remuneration benchmarking exercise’. Under these Guidelines, data were collected for 2010 to 2012. The objective of the data collection is to reveal year-to-year evolutions in remuneration trends and practices at Union level. As the EBA is updating existing Guidelines and has limited the update to mainly accommodate changes contained in the Directive, provide more clarity and improve the quality of the data collected, it is appropriate to limit the consultation period to one month.
5. According to Article 13(1) of Regulation (EU) No 575/2013, public disclosure by credit institutions must take place at the highest EEA consolidated level. This is similar to the data collection regarding high earners. To avoid loopholes in the remuneration data collection and to allow data gathering to be centrally organised in groups and communicated only once to the group supervisor, the same level of consolidation should apply in the context of these Guidelines. Double reporting requests between the home and host competent authorities are avoided; sub-consolidation is not relevant for the purpose of reporting data collected under these guidelines to the EBA. Both the EEA and non-EEA entities (i.e. non-EEA branches and non-EEA subsidiaries) can be part of the scope of the consolidated numbers. The scope of consolidation for disclosure according to Chapter 2 of Regulation (EU) No 575/2013 is applied.
6. In line with the requirements of the principle of proportionality, only certain institutions should be subject to this remuneration data collection. However, all local banking markets in the EEA should get a representative coverage in the data collection. The competent authorities will select the institutions that will be subject to this exercise.
7. The Guidelines should be read in conjunction with the CEBS ‘Guidelines on remuneration policies’ and practices and the forthcoming EBA ‘Guidelines on remuneration policies’, as appropriate.

## 4. Draft EBA Guidelines on the remuneration benchmarking exercise

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### Status of these Guidelines

This document contains guidelines issued pursuant to Article 16 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC (*'the EBA Regulation'*). In accordance with Article 16(3) of the EBA Regulation, competent authorities and financial institutions must make every effort to comply with the guidelines.

Guidelines set out the EBA's view of appropriate supervisory practices within the European System of Financial Supervision or of how Union law should be applied in a particular area. The EBA therefore expects all competent authorities and financial institutions to whom guidelines are addressed to comply with guidelines. Competent authorities to whom guidelines apply should comply by incorporating them into their supervisory practices as appropriate (e.g. by amending their legal framework or their supervisory processes), including where guidelines are directed primarily at institutions.

### Reporting requirements

According to Article 16(3) of the EBA Regulation, competent authorities must notify the EBA as to whether they comply or intend to comply with these guidelines, or otherwise with reasons for non-compliance, by dd.mm.yyyy. In the absence of any notification by this deadline, competent authorities will be considered by the EBA to be non-compliant. Notifications should be sent by submitting the form provided at Section 5 to [compliance@eba.europa.eu](mailto:compliance@eba.europa.eu) with the reference 'EBA/GL/201x/xx'. Notifications should be submitted by persons with appropriate authority to report compliance on behalf of their competent authorities.

Notifications will be published on the EBA website, in line with Article 16(3).

# Contents

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<b>Title I – Subject matter, scope and definitions</b>	<b>9</b>
1. Subject matter and scope	9
<b>Title II – Scope of the data collection</b>	<b>10</b>
2. Competent authorities’ reporting requirements under Article 75(1) CRD	10
3. Scope of institutions subject to the data collection	10
4. Scope of consolidation and reporting of data	11
<b>Title III – Requirements regarding the format and frequency of the reporting for the remuneration benchmarking exercise</b>	<b>11</b>
5. Information to be submitted and submission dates	11
6. Reference year of submitted data and currency conversion	12
7. Data quality	12
<b>Title IV – Other provisions; date of application</b>	<b>13</b>
8. Repeal	13
9. Transitional arrangements	13
10. Date of application	13
Annex 1 – Information on remuneration for all staff	14
Annex 2 – Information on remuneration of identified staff	16
Annex 3 – Information on individuals remunerated EUR 1 million or more per financial year	21

# Title I – Subject matter, scope and definitions

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Specific questions for the consultation process have been included in between the text of the draft Guidelines that follows; these questions appear in a framed text box. Respondents are asked to provide their views in particular with respect to the revised reporting template introduced by these updated Guidelines, and the requested currency conversion.

Other parts of the Guidelines have been retained in substance, but have been clarified and reworded. The EBA does not intend to change the approach or processes already established, which are based on the requirements of Article 75(1) CRD. However, the EBA would welcome any comments on the clarity of the Guidelines.

## 1. Subject matter and scope

1.1. These guidelines provide further details about the information to be submitted to the EBA regarding the benchmarking of remuneration trends and practices by competent authorities under Article 75(1) of Directive 2013/36/EU<sup>1</sup>.

1.2. These guidelines provide further details about the benchmarking of remuneration trends and practices at Union level, the data to be collected for this purpose and the involvement of the competent authorities in the EBA's remuneration benchmarking exercise (the exercise) under Article 75(2) of Directive 2013/36/EU.

1.3. These guidelines are addressed to competent authorities and to institutions.

1.4. The terms defined in Article 4 of Directive 2013/36/EU or Article 4 of Regulation (EU) No 575/2013<sup>2</sup> have the same meaning in these guidelines.

Q1: Are the subject matter and scope of the guidelines sufficiently clear?

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<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> 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).

## Title II – Scope of the data collection

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### 2. Competent authorities' reporting requirements under Article 75(1) CRD

2.1. Competent authorities should submit information collected to the EBA to benchmark remuneration trends and practices in accordance with the criteria for disclosure established in points (g), (h) and (i) of Article 450(1) of Regulation (EU) No 575/2013 as specified in these guidelines.

### 3. Scope of institutions subject to the data collection

3.1 Competent authorities should ensure that the benchmarking of remuneration practices covers at least 60% of the financial sector formed by credit institutions and investment firms in each Member State expressed in terms of aggregated total assets of institutions as of end of the calendar year.

3.2 Where a coverage of 60% cannot reasonably be ensured by the competent authority itself, for example because the market is dominated by subsidiaries of EU parent institutions located in a different Member State and these EU parent institutions would not be included in the benchmarking exercise, competent authorities may alternatively submit information for up to the 20 largest institutions within the Member State.

3.3. Competent authorities may include in their national benchmarking exercise additional institutions they deem significant or relevant for obtaining a representative and diverse sample of institutions in terms of size, business models and risk profiles, or any other institution where they deem it necessary to collect data on remuneration for supervisory purposes.

3.4 Competent authorities should inform the EBA annually about the institutions that they consider should be part of the EBA's benchmarking exercise. This can be done by informing the EBA about any changes compared to the previous year. As far as possible, changes to the sample of institutions should be avoided to ensure a stable sample. Based on the information received, the EBA will establish a list of institutions from which competent authorities should collect data. The list will be provided to the competent authorities in good time before the collection of data from institutions.

3.5 Competent authorities that have included subsidiaries in the list of institutions should review the list provided by the EBA to ensure that the data is not part of the consolidated data that will be collected. If the subsidiary is included in the scope of consolidation of an institution included in the EBA's benchmarking exercise, the competent authority should ask the EBA to remove the subsidiary from the list of institutions so that data for this subsidiary is only submitted as part of the consolidated data collected.

Q2: Is the scope of institutions to be included in the exercise and the process regarding this matter sufficiently clear?
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## 4. Scope of consolidation and reporting of data

4.1. The exercise is conducted at the highest level of consolidation as set out in Part One, Title II, Chapter 2, Section 1 of Regulation (EU) No 575/2013, i.e. the EEA consolidation level, covering all subsidiaries and branches within the group whether established in a Member State or in a third country. The scope of collecting data on remuneration should be the same as the scope for the application of the consolidated own funds requirements.

4.2. The institution that reports the supervisory data of the group at the highest EEA level of consolidation, and which is responsible for meeting the requirements of Article 450 of Regulation (EU) No 575/2013 on a consolidated basis, should complete and transmit the information described in these guidelines to the competent authority responsible for the exercise of supervision on an EEA consolidated basis.

Q3: Is the scope of consolidation for the data to be reported sufficiently clear?

## Title III – Requirements regarding the format and frequency of the reporting for the remuneration benchmarking exercise

### 5. Information to be submitted and submission dates

5.1. Institutions included in the exercise should submit the following data to the competent authority referred to in paragraph 4.2 by 30 June each year:

- a) the template provided in Annex 1 containing data regarding the remuneration of all staff;
- b) the template provided in Annex 2 containing information on the remuneration of staff whose professional activities have a material impact on the institution's risk profile<sup>1</sup> (identified staff);
- c) the template provided in Annex 3 containing information on individuals remunerated EUR 1 million or more per financial year (in accordance with Article 450(1)(i) of Regulation (EU) No 575/2013).

5.4. Competent authorities may collect additional data for their national benchmarking exercise.

5.5. Competent authorities should submit the data required for the EBA's benchmarking exercise to the EBA by 31 August each year using the EBA remuneration benchmarking reporting system.

Q4: Is the information to be submitted to the EBA sufficiently clear?

<sup>1</sup> The EBA has submitted draft RTS to the European Commission, the draft RTS are published on the EBA website and will be published after their adoption in the *Official Journal of the European Union*.

Q5: Is the template in Annex 1 appropriate and sufficiently clear?

Q6: Is the template in Annex 2 appropriate and sufficiently clear?

Q7: Is the template in Annex 3 appropriate and sufficiently clear?

## 6. Reference year of submitted data and currency conversion

6.1. Data should comprise fixed and variable remuneration awarded for performance during the financial year preceding the year of submission of the information.

6.2 Remuneration awarded based on multi-year accrual periods that do not revolve on an annual basis should be fully allocated to the financial year in which the remuneration was awarded.

6.3 The information to be provided on ex post adjustments, including clawback and malus, refers to the application of these arrangements for remuneration already awarded. These amounts should be reported separately<sup>1</sup> and should not be deducted from the amount of variable remuneration reported.

6.4 Only the amounts of variable remuneration awarded in the reporting year that are deferred should be reported as deferred remuneration. Deferred variable remuneration for previous periods should be reported separately<sup>2</sup>.

6.5. Data should be submitted using accounting year-end numbers in euro. All amounts should be reported as full amounts in euro (e.g. 1 000 000 should be reported as one million euro). Where remuneration is awarded in a currency other than euro, the exchange rate used by the Commission for financial programming and the budget for December of the reporting year should be used<sup>3</sup>.

Q8: Are the reporting period, the specific amounts to be reported and the currency conversion sufficiently clear?

## 7. Data quality

7.1. Competent authorities should check the completeness and plausibility of the data reported by each institution participating in the exercise.

7.2. The EBA will perform additional data quality checks and may request specific data quality checks to be performed by competent authorities.

<sup>1</sup> These amounts are reported under 'Total amount of explicit ex post performance adjustment applied in year N for previously awarded remuneration'.

<sup>2</sup> These amounts are reported under 'Article 450(h)(iii) CRR; total amount of outstanding deferred variable remuneration awarded in previous periods and not in year N'.

<sup>3</sup> The EBA provides a link to the information on its website together with this Guideline; the exchange rate can also be accessed under [http://ec.europa.eu/budget/contracts\\_grants/info\\_contracts/inforeuro/inforeuro\\_en.cfm](http://ec.europa.eu/budget/contracts_grants/info_contracts/inforeuro/inforeuro_en.cfm).

# Title IV – Other provisions; date of application

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## 8. Repeal

8.1. The EBA Guidelines on the remuneration benchmarking exercise (EBA/GL/2012/04), published on 27 July 2012 are revoked with immediate effect.

## 9. Transitional arrangements

9.1 Data relating to the performance year 2013 should be submitted by the institutions to competent authorities by 31 August 2014.

9.2 Data relating to the performance year 2013 should be submitted by the competent authorities to the EBA by 31 October 2014.

## 10. Date of application

10.1. These guidelines shall apply from [1 July 2014].

Q9: Are the indicated time periods sufficient to ensure that the data for 2013 can be collected in line with the updated Guidelines?
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## Annex 1 – Information on remuneration for all staff

<b>Name of the institution/group:</b>								
<b>Performance year for which the remuneration is awarded (year N):</b>								
	<b>MB Supervisory function<sup>1</sup></b>	<b>MB Management function<sup>2</sup></b>	<b>Investment banking<sup>3</sup></b>	<b>Retail banking<sup>4</sup></b>	<b>Asset management<sup>5</sup></b>	<b>Corporate functions<sup>6</sup></b>	<b>Independent control functions</b>	<b>All other<sup>7</sup></b>
<b>Number of members (Headcount)</b>	#	#						
<b>Total number of staff in FTE<sup>8</sup></b>		#	#	#	#	#	#	#
<b>Total net profit in year N (in EUR)<sup>9</sup></b>	Full amount in euro (e.g. 123 456 789.00)							
<b>Total remuneration (in EUR)<sup>10</sup></b>								

<sup>1</sup> Members of the management body in its supervisory function; this includes all executive directors of any board in the scope of consolidation.

<sup>2</sup> Members of the management body in its management function; this includes all executive directors of any board in the scope of consolidation.

<sup>3</sup> Including corporate finance advice services, private equity, capital markets, trading and sales.

<sup>4</sup> Including total lending activity (to individuals and enterprises).

<sup>5</sup> Including portfolio management, managing of UCITS and other forms of asset management.

<sup>6</sup> All functions that have responsibilities for the whole institution, e.g. Human Resources, IT.

<sup>7</sup> Staff who cannot be mapped into one of the other business areas.

<sup>8</sup> The numbers of staff should be expressed in full time equivalents (FTEs) and be based on year-end numbers.

<sup>9</sup> Net profits should be based on the accounting system used for regulatory reporting. For groups, it is the profit (or loss) based on the consolidated accounts.

<sup>10</sup> Total remuneration comprises the fixed and variable remuneration. The amounts of remuneration provided should be gross numbers, including all costs for the institutions, except mandatory contributions by the institutions to social security and comparable schemes.

Of which: variable remuneration (in EUR) <sup>1</sup>								
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<sup>1</sup> Variable remuneration includes additional payments, or benefits depending on performance or, in exceptional circumstances, other contractual elements but not those which form part of routine employment packages (such as healthcare, child care facilities or proportionate regular pension contributions). Both monetary and non-monetary benefits should be included.

## Annex 2 – Information on remuneration of identified staff

<b>Name of the institution/group:</b>								
<b>Performance year for which the remuneration is awarded (year N):</b>								
	<b>MB Supervisory function<sup>1</sup></b>	<b>MB Management function<sup>2</sup></b>	<b>Investment banking<sup>3</sup></b>	<b>Retail banking<sup>4</sup></b>	<b>Asset management<sup>5</sup></b>	<b>Corporate functions<sup>6</sup></b>	<b>Independent control functions</b>	<b>All other<sup>7</sup></b>
<b>Identified Members (Headcount)</b>	#	#						
<b>Number of identified staff in FTE<sup>8</sup></b>		#	#	#	#	#	#	#
<b>Number of identified staff in</b>			#	#	#	#	#	#

<sup>1</sup> Members of the management body in its supervisory function; this includes all non-executive directors of any board in the scope of consolidation.

<sup>2</sup> Members of the management body in its management function; this includes all executive directors of any board in the scope of consolidation board.

<sup>3</sup> Including corporate finance advice services, private equity, capital markets, trading and sales.

<sup>4</sup> Including total lending activity (to individuals and enterprises).

<sup>5</sup> Including portfolio management, managing of UCITS and other forms of asset management.

<sup>6</sup> All functions that have responsibilities for the whole institution, e.g. Human Resources, IT.

<sup>7</sup> Staff which cannot be mapped into one of the other business areas, please provide the business area concerned in the footnote.

<sup>8</sup> Staff whose professional activities have a material impact on the institutions risk profile according to Article 92(2) of Directive 2013/36/EU (identified staff); year-end numbers.

<b>senior management positions<sup>9</sup></b>								
<b>Total fixed remuneration (in EUR)<sup>10</sup></b>								
Of which: fixed in cash								
Of which: fixed in shares and share-linked instruments								
Of which: fixed in other types instruments								
<b>Total variable remuneration (in EUR)<sup>11</sup></b>								
Of which: variable in cash								
Of which: variable in shares and share-linked instruments								
Of which: variable in other types instruments <sup>12</sup>								

<sup>9</sup> Senior management as defined by point 9 of Article 3(1) of Directive 2013/36/EU; year-end numbers.

<sup>10</sup> Fixed remuneration includes payments, proportionate regular pension contributions, or benefits (where they are without consideration of any performance criteria).

<sup>11</sup> Variable remuneration includes additional payments, or benefits depending on performance or, in exceptional circumstances, other contractual elements but not those which form part of routine employment packages (such as healthcare, child care facilities or proportionate regular pension contributions). Both monetary and non-monetary benefits should be included.

<b>Total amount of variable remuneration deferred in year N (in EUR)<sup>13</sup></b>								
Of which: deferred variable in cash in year N								
Of which: deferred variable in shares and share-linked instruments in year N								
Of which: deferred variable in other types of instruments in year N <sup>14</sup>								
<b>Additional information regarding the amount of total variable remuneration</b>								
<b>Article 450 h(iii)CRR – total amount of outstanding deferred variable</b>	€	€	€	€	€	€	€	€

<sup>12</sup> Cash or instruments in accordance with Article 94(1)(l) Directive 2013/36/EU.

<sup>13</sup> Deferred remuneration in accordance with Article 94(1)(m) of Directive 2013/36/EU.

<sup>14</sup> Instruments referred to in Article 94(1)(l)(ii) of Directive 2013/36/EU.

<b>remuneration awarded in previous periods and not in year N (in EUR)</b>								
<b>Total amount of explicit <i>ex post</i> performance adjustment<sup>15</sup> applied in year N for previously awarded remuneration (in EUR)</b>								
<b>Number of beneficiaries of guaranteed variable remuneration (new sign-on payments)<sup>16</sup></b>								
<b>Total amount of guaranteed variable remuneration (new sign-on payments) (in EUR)</b>								

<sup>15</sup>Explicit *ex post* performance adjustment in accordance with Article 94(1)(n) of Directive 2013/36/EU.

<sup>16</sup>Guaranteed variable remuneration in accordance with Article 94(1)(d) of Directive 2013/36/EU.

<b>Number of beneficiaries of severance payments</b>	#	#	#	#	#	#	#	#
<b>Total amount of severance payments paid in year N (in EUR)</b>								
<b>Article 450 h(v) – Highest severance payment to a single person (in EUR)</b>								
<b>Number of beneficiaries of contributions to discretionary pension benefits in year N</b>	#	#	#	#	#	#	#	#
<b>Total amount of contributions to discretionary pension benefits (in EUR) in year N<sup>17</sup></b>								
<b>Footnote: Staff reported in the column ‘All other’ consist of ... [to be completed as per footnote 7]</b>								

<sup>17</sup> As defined under Article 3(53) of Directive 2013/36/EU.

## Annex 3 – Information on individuals remunerated EUR 1 million or more per financial year

### Reporting under Article 450(1)(i) of Regulation (EU) No 575/2013

Total remuneration; payment band (in EUR)	Number of staff (headcount)
1 000 000 to below 1 500 000	#
1 500 000 to below 2 000 000	#
2 000 000 to below 2 500 000	#
2 500 000 to below 3 000 000	#
3 000 000 to below 3 500 000	#
3 500 000 to below 4 000 000	#
4 000 000 to below 4 500 000	#
4 500 000 to below 5 000 000	#
5 000 000 to below 6 000 000	#
6 000 000 to below 7 000 000	#
7 000 000 to below 8 000 000	#
8 000 000 to below 9 000 000	#
9 000 000 to below 10 000 000	#
To be extended as appropriate, if further payment bands are needed.	#

## 5. Accompanying documents

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### 5.1 Draft cost-benefit analysis / impact assessment

1. The EBA is updating existing Guidelines for which an impact assessment has already been carried out. The changes concern additions made in Directive 2013/36/EU and Regulation (EU) 575/2013 and clarifications on how figures should be reported based on the experience gained from the previous data collections. The Guidelines also take into account that the requirements for variable remuneration and disclosure of remuneration have changed, e.g. it is now possible to discount variable remuneration provided it is paid in instruments which are deferred for at least five years or the reporting of high earners in separate payment bands.
2. The baseline scenario for the impact assessment includes the existing EBA Guidelines and the changes to the additional disclosure requirements introduced by CRD IV. All Member States are currently fully compliant with these Guidelines. The impact of the intervention is measured in terms of the additional data required under the proposed EBA Guidelines. The impact assessment does not take into account additional data that may be collected by the competent authorities and is limited to the marginal effects of the updated Guidelines compared to the baseline scenario.
3. The Guidelines were clarified based on questions received during the previous data collections. A clearer definition of the data will potentially reduce the costs of the data collection as data corrections will be limited, and will increase the quality of the reported data.
4. The Guidelines now include an additional template for the collection of data regarding high earners for institutions included in the sample. The collection of all these data within the data collection exercise regarding high earners was considered, but this option was not retained as this exercise results in aggregated figures, while the benchmarking data refer to a specific institution. This reporting requirement is a direct result of Regulation (EU) No 575/2013, and therefore the cost impact is not due to compliance with the Guidelines.
5. The number of data fields in the updated templates has roughly doubled. This is to ensure an appropriate granularity of data and consistency with data collected for high earners regarding the categories used. Some costs will be triggered for the adoption of the reporting systems. The use of a different reporting structure to that used for high earners was considered, but since the institutions would have to implement additional reporting structures and the data would not be comparable, this option was not retained.
6. Regarding the added business areas a couple of options were considered:

Option A: introducing business lines similar to those defined under the standardised approach for operational risk.

Option B: maintaining the structure of the data as far as possible and introducing a more granular collection of the data included in 'other areas'.

7. Option A would have required introducing new mapping criteria for all staff and would have provided for a more granular approach regarding the data collected. The costs for mapping the data would have been higher compared to Option B. Option B allows the data collected for 2010-2012 to be compared with the data collected in the future as the main reporting structure is maintained. The institutions only need to develop additional mapping routines regarding the staff so far reported under 'other areas'. Option B singles out the most relevant business areas and separates business areas from the support function. For these reasons, Option B was retained to allow the use of the existing historic data for benchmarking purposes and to limit the costs for the implementation of these Guidelines.
8. Additional information concerning fixed remuneration and the instruments in which it was paid will be collected for an analysis of the remuneration practices, in particular the changes in the reported figures after the cap on variable remuneration came into force and some institutions started to pay out 'allowances' in shares.
9. The overall cost impact is limited to the institutions participating in this exercise and the competent authorities collecting the data and submitting them to the EBA. The reporting structure needs to be completed (i.e. the new elements need to be included in the template) and staff need to be mapped into the appropriate companies. This will result in a one-off cost for implementing a system and some ongoing costs for the re-categorisation of staff changing positions and new joiners.
10. The benefit is that staff and their responsibilities are more appropriately mapped into distinct categories, enabling a more in-depth analysis of remuneration trends in different areas of institutions.

Q 10: Do you agree with our analysis of the impact of the proposals in this Consultation Paper? If not, can you provide any evidence or data that would explain why you disagree or might further inform our analysis of the likely impacts of the proposals?

## 5.2 Overview of questions for consultation

Q1: Are the subject matter and scope of the Guidelines sufficiently clear? Q2: Are the scope of institutions to be included in the exercise and the process regarding this matter sufficiently clear?

Q3: Is the scope of consolidation for the data to be reported sufficiently clear?

Q4: Is the information to be submitted to the EBA sufficiently clear?

Q5: Is the template in Annex 1 appropriate and sufficiently clear?

Q6: Is the template in Annex 2 appropriate and sufficiently clear?

Q7: Is the template in Annex 3 appropriate and sufficiently clear?

Q8: Are the reporting period, the specific amounts to be reported and the currency conversion sufficiently clear?

Q9: Are the indicated time periods sufficient to ensure that the data for 2013 can be collected in line with the updated Guidelines?

Q 10: Do you agree with our analysis of the impact of the proposals in this Consultation Paper? If not, can you provide any evidence or data that would explain why you disagree or might further inform our analysis of the likely impacts of the proposals?

### 5.3 Views of the Banking Stakeholder Group (BSG)

The Banking Stakeholder Group was notified about the publication of the Consultation Paper and asked to provide an opinion by the end of the consultation period.