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Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Transparency and Pillar 3
Article	449a
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Regulation (EU) 2022/2453 - ITS on ESG disclosures
Article/Paragraph	n.a.
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Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	ESG P3 - Scope of application of Article 449a
Question	<p>Could you please clarify and confirm the scope of application of Article 449a CRR for different kinds of supervisory groups and entities, including situations where the head of the group is a (mixed) financial holding, or the group has credit institutions affiliated with the central body? In general:</p> <ul style="list-style-type: none"> • can a (mixed) financial holding be considered a large institution on a consolidated basis (as per the CRR definition), and therefore would it have the obligation to disclose? Or should the disclosure requirement be on the credit institution underneath? And if the latter, at what level should it disclose, at highest level of consolidation of the group, i.e. the FH or its own level? • If the requirements are applicable at the top level, i.e. the (M)FH, if a financial holding is large but not listed and one of the subsidiaries underneath is listed (large or not), shall it be considered that the conditions large and listed are fulfilled?
Background on the question	We would like to get clarification on the scope of application of Article 449a, in particular when the head of the group is a (mixed) financial holding (M)FH that has at least one credit institution (CI) as a subsidiary. We have two

general questions: can a (mixed) financial holding be considered a large institution on a consolidated basis (as per the CRR definition), and therefore would it have the obligation to disclose? Or should the disclosure requirement be on the credit institution underneath? And if the latter, at what level should it disclose, at highest level of consolidation of the group, i.e. the (M)FH or its own level? If the requirements are applicable at the top level, i.e. the (M)FH, if a financial holding is large but not listed and one of the subsidiaries underneath is listed (large or not), shall it be considered that the conditions large and listed are fulfilled? We have identified the following cases (considering that the (M)FH can be a large institution): The head of the group is (M)FH. The (M)FH is large and listed. It has a subsidiary CI that is also large and listed. Is the head required to disclose ESG information for the whole group? The head of the group is (M)FH. The (M)FH is large and listed. It has no subsidiary CI that is both large and listed (or only is one of the two). Is the head required to disclose ESG information for the whole group? The head of the group is (M)FH. The (M)FH is large but not listed. It has a subsidiary CI that is large and listed. Is the head required to disclose ESG information for the whole group? The head of the group is (M)FH. The (M)FH is not large and listed (for example, it is only large or only listed, or neither). It has no subsidiary CI that is both large and listed (i.e. the subsidiary CI is either large or listed, or neither). Can you confirm that in this case, the head is not required to disclose ESG risks? Please also find some examples for groups with credit institutions (CIs) permanently affiliated to a central body. There is a group with a central body. The central body itself is a CI that is not large but listed. There is no CI in the group that is both large and listed. The total assets of the group as a whole are above EUR 30bln so the group on consolidated basis is “large”. Is the central body required to disclose ESG information for the whole group? There is a group with a central body. The central body itself is large but not listed. There is a subsidiary CI in the group that is both large and listed. Is the central body required to disclose ESG information for the whole group? There is a group with a central body. The central body itself is a CI that is large and listed. Is the central body required to disclose ESG information for the whole group?

Final answer

In regards to the first question, institutions shall disclose the information at the highest level of consolidation in the EU, as regulated in Article 13 CRR. Thus, a (mixed) financial holding company can be considered a large institution with securities traded on a regulated market of any Member State (listed) on a prudential consolidated basis (as per the CRR definitions), and therefore it would have the obligation to disclose, unless art. 21a(4) or 21a(6) CRD apply.

With regard to the four examples in the background:

- *The head of the group is (M)FH. The (M)FH is large and listed. It has a subsidiary (Credit institution (CI) or Financial institution (FI)) that is also large and listed. Is the head required to disclose ESG information for the*

whole group?

Yes, it is required only for the undertakings included in the scope of prudential consolidation (based on Art. 18 CRR).

· *The head of the group is (M)FH. The (M)FH is large and listed. It has no subsidiary CI or FI that is both large and listed (or only is one of the two). Is the head required to disclose ESG information for the whole group?*

Yes, it is required only for the undertakings included in the scope of prudential consolidation (based on Art. 18 CRR).

· *The head of the group is (M)FH. The (M)FH is large but not listed. It has a subsidiary CI or FI that is large and listed. Is the head required to disclose ESG information for the whole group?*

Yes, it is required only for the undertakings included in the scope of prudential consolidation (based on Art. 18 CRR).

· *The head of the group is (M)FH. The (M)FH is not large and listed (for example, it is only large or only listed, or neither). It has no subsidiary CI or FI that is both large and listed (i.e. the subsidiary CI or FI is either large or listed, or neither). Can you confirm that in this case, the head is not required to disclose ESG risks?*

The head is not required to disclose ESG risks, unless the whole group are above EUR 30bln (based on Art. 4 (1) point 146(d)) and a subsidiary included in prudential consolidation (based on Art. 18 CRR), e.g. CI or FI, is a listed company.

With regard to groups with credit institutions (CIs) permanently affiliated to a central body:

· *There is a group with a central body. The central body itself is a CI that is not large but listed. There is no CI or FI in the group that is both large and listed. The total assets of the group as a whole are above EUR 30bln so the group on prudential consolidated basis is "large". Is the central body required to disclose ESG information for the whole group?*

Yes, it is required for the undertakings included in the scope of prudential consolidation (based on Art. 18 CRR).

· *There is a group with a central body. The central body itself is large but not listed. There is a subsidiary CI in the group that is both large and listed. Is the central body required to disclose ESG information for the whole group?*

Yes, it is required for the undertakings included in the scope of prudential consolidation (based on Art. 18 CRR).

	<p>· <i>There is a group with a central body. The central body itself is a CI that is large and listed. Is the central body required to disclose ESG information for the whole group?</i></p> <p>Yes, it is required for the undertakings included in the scope of prudential consolidation (based on Art. 18 CRR).</p> <p>In regards to the second question, if a financial holding is large but not listed and one of the subsidiaries underneath in the scope of its prudential consolidation (based on Art. 18 CRR) is listed (large or not), the conditions large and listed are fulfilled.</p>
Link	https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2022_6652

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