

EBA/RTS/2021/18

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20 December 2021

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# Final Report

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Draft regulatory technical standards

on the provision of information for the effective monitoring of the credit institution thresholds under Article 55(5) of Regulation (EU) 2019/2033

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# 1. Executive Summary

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1. The Investment Firms Directive (IFD) and the Investment Firms Regulation (IFR) were published in the Official Journal of the European Union on 5 December 2019 and entered into force on 26 December 2019.
2. The IFR gives a significant number of mandates to the European Banking Authority (EBA) covering a broad range of areas relating to the prudential treatment of investment firms. This document puts forward the EBA's work on the mandate regarding the reporting of information for the purposes of monitoring investment firms' position in relation to the thresholds triggering a reclassification as a credit institution under Article 55(5) IFR ('RTS on threshold monitoring'). A set of templates has been developed in order to assist competent authorities in the verification of the information mentioned above.

## Next steps

3. The draft regulatory technical standards will be submitted to the European Commission for endorsement, following which they will be subject to scrutiny by the European Parliament and the Council before being published in the Official Journal. The technical standards are expected to apply from June 2022, subject to the legislative process being concluded in time. The EBA will also develop the data point model (DPM), XBRL taxonomy and validation rules based on the final draft RTS.

## 2. Background and rationale

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4. In December 2017, the European Commission adopted a proposal to amend the rules and requirements for investment firms with the aim of making them more proportionate and risk-sensitive, capturing investment firms' business models in a better way. A Regulation (IFR) and a Directive (IFD) establishing the prudential framework for investment firms were published in the Official Journal in December 2019. The new framework differentiates between investment firms that are systemically important or are exposed to the same types of risks as credit institutions and which therefore continue to be subject to CRRII/CRDV, and other investment firms whose size and activities are unlikely to create comparable risks and which will be subject to the IFR and IFD. The IFR requires the development of several pieces of level 2 legislation in order to reflect and implement the new requirements for investment firms.
5. Among other things, investment firms are required by Article 55 IFR to monitor their position, and where applicable their group's position, in relation to the thresholds triggering the classification as a credit institution in accordance with points (a) and (b) of Article 8a(1) of Directive 2013/36/EU (CRD).
6. Article 55(5) IFR requires the EBA to develop, in consultation with ESMA, an RTS 'to specify further the obligation to provide information to the relevant competent authorities referred to in paragraphs 1 and 2 in order to allow effective monitoring of the thresholds set out in points (a) and (b) of Article 8a(1) of Directive 2013/36/EU'. Thus, this regulatory product should provide competent authorities with the tools for carrying out the ongoing monitoring of the EUR 30 billion threshold for investment firms, and more specifically with the necessary data.
7. Since the mandate requires the EBA 'to specify further the obligation to provide information', it is understood that a list of elements – data points – necessary to ensure the monitoring of the EUR 30 billion threshold should be identified. Those elements should be in line with the methodology for the computation of the above-mentioned threshold, specified in the RTS developed in accordance with the mandate of Article 8a(6), point (b) CRD (the 'methodology RTS'). Furthermore, it is understood that an 'effective monitoring' of the EUR 30 billion threshold is best achieved if competent authorities have access to the necessary information to compute the above-mentioned threshold themselves. Consequently, a reporting template is needed for the investment firms to fill in, and the .
8. Therefore, and in accordance with the provisions of the methodology RTS, at a minimum monthly values of the total assets both for an individual firm and for a group should be reported to the competent authorities on a quarterly basis (i.e. every quarter three values should be reported, one for every month). Particular attention is given to the contribution of branches located in the EU that carry out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU (MiFID) and belong to entities incorporated in third countries. The contribution of those branches to the total consolidated assets is captured in a separate data point.

9. Additionally, and in the context of the group-wide assessment (group-level credit institution test – hereafter ‘group CI test’) prescribed in the methodology RTS, two data points on the identification of the ultimate parent of the group were added. Those two data points facilitate the matching and consistency checks of reports by different group entities in different Member States.

10. The templates for the verification of total assets are provided in Annex I to these draft RTS on reporting developed on the basis of Article 55(5) IFR and consist of a set of two templates:

- I 10.01 – Verification of total assets at individual level and group test;
- I 10.02 – Total assets for group test broken down by entity.

11. The first of the two templates is to be submitted by every investment firm to their competent authority, whether or not they are part of a group. The template includes both information about the relevant investment firm itself – its total assets (stand-alone) and its consolidated total assets (i.e. after the elimination of the intragroup assets) and, where the entity is part of a group, the identification of the ultimate parent of the group it belongs to, as well as aggregate information about the group’s total assets. That latter information should be readily available to the investment firm as a consequence of the data exchange between group entities prescribed in Article 55(1) and (2) IFR.

12. Where investment firms are part of a group, the information submitted by individual investment firms is complemented by a report on the contribution of the different group entities, including the assets of relevant EU branches, to the aggregate total consolidated assets of the group, to the extent that those assets have to be considered for the assessment of the EUR 30 billion threshold in accordance with the methodology RTS. This information serves to verify the information reported by individual investment firms of the group as well as to monitor the distribution of the assets inside the group and their development, in particular in the case of groups active across borders, with a view to understanding whether any individual entity or the group as a whole is likely going to exceed, or fall below, the EUR 30 billion threshold in the foreseeable future.

13. In light of the final methodology described in the methodology RTS as well as the provisions of Article 55(1) and (2) IFR, template I 10.02 has to be submitted by every entity located in a Member State whose assets have to be considered in the group CI test, irrespective of its position in the group and relationship with other group entities (parent, subsidiary, branch). Thus, where an entity (relevant undertaking) carries out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU and has consolidated assets of less than EUR 30 billion, but either the consolidated assets of the entity itself or the consolidated assets of the investment firm group exceed EUR 5 billion, the obligation to report entity-by-entity data for the group is triggered.

14. It also needs to be noted that the reporting templates developed in accordance with Article 55(5) IFR apply to

- investment firms that are stand-alone investment firms;
- investment firms that are part of an investment firm group; and

- investment firms that are part of a banking group.

15. Following the changes to the original proposal for the methodology defined in the methodology RTS that were presented in the second consultation paper EBA/CP/2021/23 and became part of the final report EBA/RTS/2021/17, the RTS on reporting had to be adjusted and many changes had to be applied to the proposals published for consultation. In particular, the following changes were made to these RTS on reporting:

- Template I 10.01 (originally IF 10.01): the item on subsidiaries outside the EU was dropped and information on the identification of the ultimate parent of the group was added.
- Template I 10.02 (originally IF 10.03): the scope of application of the requirement to report this data was changed (see paragraph 12 above for details).
- A third template included in the original proposal (IF 10.02) was dropped.
- The terminology and concepts used in the RTS on reporting were aligned with those used in the methodology RTS (especially 'relevant undertaking' and 'relevant third country branch') and references to the methodology RTS were adjusted.

16. The EBA will complement the reporting requirements defined in the RTS on reporting with a data point model (DPM). A DPM supports harmonised implementation of the reporting framework. It bridges the gap between business definitions and IT: the business concepts are specified in the DPM according to formal rules, as required by IT specialists, while being still manageable by business experts and data users. The DPM provides the metadata support to fully automate the production of data exchange specifications, such as XBRL taxonomies or other equivalent exchange formats.<sup>1</sup> The EBA will also develop an XBRL taxonomy, but it will not be part of the RTS. The development of a DPM and XBRL taxonomy does not pre-empt any decision by competent authorities on the format in which the data will be collected by them.

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<sup>1</sup> For further information on the EBA's data point model, please see <https://eba.europa.eu/risk-analysis-and-data/dpm-data-dictionary>

## 3. Draft regulatory technical standards

**COMMISSION DELEGATED REGULATION (EU) No .../..****of XXX****[...]**

**supplementing Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to regulatory technical standards specifying the obligation to provide information to the relevant competent authorities in order to allow effective monitoring of the thresholds set out in points (a) and (b) of Article 8a(1) of Directive 2013/36/EU**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements for investment firms and amending Regulation (EU) No 1093/2010, Regulation (EU) No 575/2013, Regulation (EU) No 806/2014 and in particular Article 55(5), third sub-paragraph thereof,

Whereas:

- (1) The obligation to provide information to the relevant competent authorities, for the purposes of an effective monitoring of the thresholds set out in points (a) and (b) of Article 8a(1) of Directive 2013/36/EU<sup>2</sup>, should be further specified in regulatory technical standards. Those technical standards should introduce a coherent reporting framework established on the basis of a harmonised set of standards. Furthermore, it is appropriate to specify, on the basis of Article 55 of Regulation (EU) No 2019/2033, the modalities according to which investment firms are required to report information for the ongoing monitoring of the thresholds referred to in that Article.
- (2) The technical standards, with a view to allowing an effective monitoring of the thresholds set out in points (a) and (b) of Article 8a(1) of Directive 2013/36/EU, should be closely aligned with the methodology for the calculation of those thresholds as specified in [*Draft RTS prepared in accordance with Article 8a(6), point (b) of Directive 2013/36/EU*]. In particular, the total assets of all relevant undertakings as well as branches in the EU of third country groups that perform relevant activities should be reported in order to allow the competent authority to assess both an individual entity's position in relation to the thresholds and the calculation of the consolidated total assets reflecting the position of a group supervised on a consolidated basis.

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<sup>2</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 Directive 2006/48/EC and Directive 2006/49/EC, OJ L 176, 27.6.2013, p. 338.

- (3) The information for the effective monitoring of the threshold set out in point (a) of Article 8a(1) of Directive 2013/36/EU should be reported by each and every relevant undertaking defined in Regulation ... [*Draft RTS prepared in accordance with Article 8a(6), point (b) of Directive 2013/36/EU*]. The information for the effective monitoring of the threshold set out in point (b) of Article 8a(1) of Directive 2013/36/EU should and can be reported by every relevant undertaking included in the group test of Article 6 and, where applicable, Article 7 of Regulation ... [*Draft RTS prepared in accordance with Article 8a(6), point (b) of Directive 2013/36/EU*] in the light of the data exchange requirements specified in Article 55(2) of Regulation (EU) 2019/2033.
- (4) This Regulation is based on the draft implementing technical standards submitted by the European Supervisory Authority (European Banking Authority) (EBA) to the Commission.
- (5) EBA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010<sup>3</sup>.

HAS ADOPTED THIS REGULATION:

### *Article 1*

#### *Subject matter*

This Regulation specifies the obligation to provide information referred to in paragraphs 1 and 2 of Article 55 of Regulation (EU) 2019/2033 by laying down uniform reporting formats and templates, instructions and methodology on how to use those templates, the frequency and dates of such reporting.

### *Article 2*

#### *Definitions*

For the purposes of this Regulation, the following definitions apply:

- (1) ‘relevant undertaking’ means a relevant undertaking as defined in Article 2, point (1) of [*the Draft RTS prepared in accordance with Article 8a(6), point (b) of Directive 2013/36/EU*].
- (2) ‘relevant third country branch’ means a relevant third country branch as referred to in Article 7(1) of [*the Draft RTS prepared in accordance with Article 8a(6), point (b) of*

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<sup>3</sup> 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 (OJ L 331, 15.12.2010, p. 12).

*Directive 2013/36/EU].*

### *Article 3*

#### *Reporting reference dates*

1. Relevant undertakings shall submit the information referred to in paragraphs 1 and 2 of Article 55 of Regulation (EU) 2019/2033 with a quarterly frequency as this information stands on 31 March, 30 June, 30 September and 31 December.
2. Where relevant undertakings are permitted by national laws to report their financial information based on their accounting year-end which deviates from the calendar year-end, the reporting reference dates may be adjusted accordingly, so that reporting of information is done every three, six, nine or twelve months from their accounting year-end, respectively.

### *Article 4*

#### *Reporting remittance dates*

1. Relevant undertakings shall submit the information referred to in paragraphs 1 and 2 of Article 55 of Regulation (EU) 2019/2033 by close of business on the following remittance dates: 12 May, 11 August, 11 November and 11 February.
2. If the remittance date is a public holiday in the Member State of the competent authority to which the report is to be provided, or a Saturday or a Sunday, data shall be submitted on the following working day.
3. Where the relevant undertakings report their information using adjusted reporting reference dates based on their accounting year-end as set out in Article 2(2) of this Regulation, the remittance dates may also be adjusted accordingly so that the same remittance period from the adjusted reporting reference date is maintained.
4. Relevant undertakings may submit unaudited figures. Where audited figures deviate from submitted unaudited figures, the revised, audited figures shall be submitted without undue delay. Unaudited figures are figures that have not received an external auditor's opinion whereas audited figures are figures audited by an external auditor expressing an audit opinion.
5. Corrections to the submitted reports shall be submitted to the competent authorities without undue delay.

### *Article 5*

### *Format and frequency of reporting*

1. Relevant undertakings shall report the information specified in this Article, where they are subject to an obligation to provide information to competent authorities in accordance with paragraph (1) or (2) of Article 55 of Regulation (EU) 2019/2033, with a quarterly frequency.
2. Relevant undertakings shall report the information set out in template I 10.01 of Annex I in accordance with the instructions of Annex II.
3. Relevant undertakings shall report the information set out in template I 10.02 of Annex I in accordance with the instructions of Annex II, where both of the following conditions are met:
  - (i) the relevant undertakings have individual total assets of less than EUR 30 billion or are undertakings referred to in Article 5(6) of *[the Draft RTS prepared in accordance with Article 8a(6), point (b) of Directive 2013/36/EU]*;
  - (ii) the relevant undertakings are part of a group and that group includes at least one other relevant undertaking or relevant third country branch whose assets have to be included in the calculation in accordance with Articles 6 and 7 of *[the Draft RTS prepared in accordance with Article 8a(6), point (b) of Directive 2013/36/EU]*.

### *Article 6*

#### *Data precision and information associated with submissions*

1. Relevant undertakings shall submit the information in the data exchange formats and representations specified by the competent authorities and respecting the data point definition of the data point model and the validation rules referred to in Annex III as well as the following specifications:
  - (a) Information that is not required or not applicable shall not be included in a data submission.
  - (b) Numerical values shall be submitted as follows:
    - (i) data points with the data type 'Monetary' shall be reported using a minimum precision equivalent to thousands of units;
    - (ii) data points with the data type 'Percentage' shall be expressed as per unit with a minimum precision equivalent to four decimals;
    - (iii) data points with the data type 'Integer' shall be reported using no decimals and a precision equivalent to units.
  - (c) Investment firms and credit institutions shall be identified solely by their Legal Entity Identifier (LEI).
  - (d) Legal entities and counterparties other than investment firms and credit institutions shall be identified by their LEI where available.
2. Relevant undertakings shall accompany the submitted data with the following

information:

- (a) reporting reference date and reference period;
- (b) reporting currency;
- (c) accounting standard;
- (d) Legal Entity Identifier (LEI) of the relevant undertaking;
- (e) scope of consolidation.

### *Article 7*

### *Final provisions*

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the  
Commission  
The President*

### **ANNEXES**

*Please see separate files*

Annex I – Templates for the reporting for threshold monitoring purposes

Annex II – Instructions for the reporting for threshold monitoring purposes

Annex III – Validation rules and DPM

## 4. Accompanying documents

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

Following Articles 10 and 15 of Regulation (EU) No 1093/2010 (EBA Regulation), the EBA shall analyse the potential costs and benefits of draft regulatory and implementing technical standards, respectively. RTS and ITS developed by the EBA shall therefore be accompanied by an impact assessment (IA) which analyses ‘the potential related costs and benefits’.

This analysis presents the IA of the main policy options regarding the draft RTS specifying the obligation to provide information to the relevant competent authorities as envisaged under Article 55(5) IFR. The IA is high level and qualitative in nature.

#### A. Problem identification and background

The EU population of investment firms is both large and extremely diverse. There are around 2,500 investment firms authorised by MiFID in the EU<sup>4</sup> and all these firms vary greatly in terms of size, business model, risk profile, complexity and interconnectedness, ranging from one-person companies to large, internationally active groups.

Until June 2021, the prudential treatment of investment firms was set out under the CRR/CRDV framework. Depending on the services they provide, and their complexity or size, some of the investment firms were exempt from prudential regulation, some were subject to lighter prudential regulation, and others were subject to the full CRR/CRD rules.

Being covered by the same prudential regulation has led to a situation in which certain investment firms needed to undergo the same complex calculations and processes as banks in order to calculate capital requirements for risks that were not relevant for their business models. In December 2017 the European Commission adopted a proposal to amend the rules and requirements for investment firms in order to make them more proportionate and risk-sensitive, capturing their business models in a better way. As a result, the European Commission put forward a proposal for a new prudential framework for investment firms (in the form of a Regulation and a Directive), which was published in the Official Journal in December 2019. The new framework ensures that a differentiation is made between class 1 investment firms that are systemically important or are exposed to the same types of risks as credit institutions and which continue to be under the scope of CRR/CRDV, and other investment firms whose size and activities are unlikely to create comparable risks.<sup>5</sup> The new IFR/IFD package covers such class 2 and class 3 investment

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<sup>4</sup> EBA [Report on Investment Firms: Response to the Commission’s Call for Advice \(2015\)](#)

<sup>5</sup> See also the [Inception Impact Assessment](#) conducted in 2017 by the EC, ESMA and EBA.

firms, which include other investment firms and small and non-interconnected investment firms, respectively.

The IFR requires the development of several pieces of level 2 legislation in order to reflect and implement the new requirements for investment firms. Among other things, Article 55(5) IFR mandates the EBA to develop templates further specifying the obligation by investment firms to provide information to the relevant competent authorities in order for competent authorities to be able to monitor the thresholds in place and to determine whether firms are to be covered by the CRR or the IFR (in other words, monitoring investment firms' size).

## B. Policy objectives

Templates for the monitoring of total assets are crucial to completing the new prudential framework for investment firms. They have been created to ensure consistent reporting by investment firms and enable competent authorities to consistently monitor the size of investment firms under their remit and, based on this, reach a conclusion on the applicable regulatory framework.

## C. Options considered, assessment of the options and the preferred option

Section C presents the main policy options discussed and the decisions made during the development of the templates and instructions. Advantages and disadvantages as well as potential costs and benefits of the policy options and the preferred options resulting from this analysis are assessed below.

CRRII has introduced new criteria for the definition of credit institutions. This now includes investment firms with total assets equal to or above EUR 30 billion, or investment firms where the consolidated value of the total assets of all investment firms in the group is equal to or exceeds EUR 30 billion, implying that they would again be subject to the CRR. Consequently, CRRII in its new Article 8(a)(1) sets out the conditions (assets or all the group's investment firms' consolidated assets equal to or greater than EUR 30 billion) when investment firms need to apply for authorisation as a credit institution.

Article 55(5) IFR mandates the EBA to develop draft regulatory technical standards to specify further the obligation to provide information on total assets to the relevant competent authorities, to allow effective monitoring of the EUR 30 billion threshold.

### Scope of the reporting requirements

The criteria determining when a relevant undertaking needs to submit an application for authorisation as a credit institution laid out in Article 8(a)(1) CRD include both a solo and a group CI test. It is not only about the absolute size of an individual investment firm, but also about the consolidated size of the investment group as a whole. Therefore, the reporting templates need to capture information both at individual firm level and at the group level.

The following options have been considered on the information to be reported by each relevant undertaking. These options have been amended from the ones presented in the consultation paper to reflect both: a) the reduction in the number of templates in the final RTS from three (I 10.01, 10.02, 10.03) to two (I 10.01, 10.02), and b) the significant change in the scope of the group test ('group CI test') introduced in the final draft RTS on the EUR 30 billion threshold methodology (EBA/RTS/2021/17).

**Option 1a: Every relevant undertaking should report all templates (I 10.01, I 10.02).**

**Option 1b: Every relevant undertaking should report template I 10.01, while only the Union parent investment firm, the Union parent financial holding company or the Union parent mixed financial holding company should report I 10.02.**

**Option 1c: Every relevant undertaking should report all templates, except where multiple entities are located in the same Member State, for which only a single dedicated entity should report template I 10.02 and the rest of the entities in the Member State can be waived from reporting this template.**

Under Option 1a, all relevant undertakings will be subject to the obligation to report on the same information, making the reporting process simple and transparent.

On the other hand, Option 1b defines the scope of the reporting obligation in a way that aggregate data (template I 10.01) is reported by every relevant undertaking, while the entity-by-entity information (template I 10.02) only needs to be reported by the Union parent investment firm, the Union parent financial holding company or the Union parent mixed financial holding company.

Option 1c requires all relevant undertakings to report all templates but provides for a waiver of reporting template I 10.02 for those relevant entities in the group test that are located in the same Member State. In these cases, it would be sufficient for a single dedicated relevant undertaking in that Member State to report template I 10.02, while the remaining relevant undertakings in the Member State only report template I 10.01. This would ensure that competent authorities have direct access to the information necessary to assess an investment firm group's position in relation to the threshold in Article 8(a), point (1) CRD, but would reduce the combined cost of compliance for those entities included in the group test that are located in the same Member State.

In the consultation paper, Option 1a and Option 1b were assessed, with Option 1b put forward as the preferred option. At the time, Option 1a was assessed to be burdensome for individual investment firms based on the expectation that all investment firms will have to report entity-by-entity information on other entities of the group, although they do not necessarily have a complete picture of the group structure. In addition, Option 1a was considered less efficient because the same group information would have to be reported multiple times by all investment firms belonging to the same group despite the fact that the EU parent would have been in a better position to report this information.

However, the choice of the preferred option was made based on the concepts and methodology defined in the draft RTS developed in accordance with the mandate of Article 8a(6), point (b) CRD (the 'methodology RTS'). After the consultation on the RTS on reporting concluded, the methodology specified in the methodology RTS was significantly changed (see EBA/CP/2021/23 and EBA/RTS/2021/17). Among other things, the revised methodology foresees that the group CI test considers all relevant undertakings of a group (i.e. all entities that carry out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU) that have individual total assets, net of relevant intragroup transactions, of less than EUR 30 billion, irrespective of their geographical location or their position in the group. Thus, the EU parent of a group is not necessarily any longer the ultimate parent of the group whose entities have to be considered in the group test, and therefore not necessarily any longer in the best position to compile and report the group CI test data. It should also be noted that Article 55(2) IFR obliges investment firms belonging to the same group to inform each other of their total assets on a monthly basis, independently from the reporting to the competent authority. Therefore, each and every entity whose total assets have to be considered in the group test should be aware of the position of all other such entities in the group.

To avoid duplications in the reporting of the entity-by-entity data to the same competent authority when it comes to entities belonging to a group located in the same Member State, the EBA has also considered an additional option (Option 1c) following the consultation. This option allows the reporting of the entity-by-entity data (template I 10.02) by a 'designated entity' in a Member State – e.g. the parent entity in that Member State or, in the absence of a clearly identifiable parent (or 'highest ranking') entity, the relevant undertaking with the highest value of total assets at individual level whose assets are included in the group CI test – while all the other relevant undertakings located in that Member State would only need to report the information in template I 10.01. This option was dismissed, because the legal provision identifying the 'designated entity' would be very complex in the light of the need to account for different scenarios regarding the group structure. In addition, it was considered that relevant entities of the group should be able to access all the necessary data in the light of the data exchange requirement mentioned above, so that the additional effort of reporting the data to the competent authority – compared to only obtaining it as required by Article 55 IFR – would be very limited.

## F. Conclusion

The adoption of new regulation for investment firms in the EU requires reporting requirements for these institutions to be implemented in line with the new obligations. The new requirements are aimed at reducing the burden for investment firms, while making sure that investment firms engaged in activities comparable to those of credit institutions are treated the same way as those credit institutions.

During the development of the new templates, policy choices were made with the aim of ensuring that all relevant and crucial information is captured, but at the same time any unnecessary burden on investment firms is minimised by simplifying the templates wherever possible.

Considering the final methodology prescribed in the methodology RTS, as well as the data exchange requirement stipulated in Article 55(2) IFR, Option 1a is now the preferred option both regarding the reporting of aggregate information (I 10.01) and entity-by-entity-data (I 10.02).

## 4.2 Overview of questions for consultation

**Question 12<sup>6</sup>:** Are the provisions of the RTS, the templates and instructions clear? In those cases where you identify issues, please provide concrete examples or detailed explanations to illustrate your doubt.

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<sup>6</sup> Numbering based on the EBA/CP/2020/07, which also covered other technical standards besides the RTS on threshold monitoring.

### 4.3 Feedback on the public consultation

The EBA publicly consulted on the draft proposal contained in this paper, in conjunction with proposals on other ITS on disclosures and reporting to be developed based on mandates embedded in the IFR.

The consultation period lasted for three months and ended on 4 September 2020. Twelve responses were received, of which nine were published on the EBA website. However, only five of the responses included comments on the RTS on threshold monitoring presented in this final report.

This paper presents a summary of the key points and other comments arising from the consultation, the analysis and discussion triggered by these comments and the actions taken to address them if deemed necessary.

In many cases several industry bodies made similar comments, or the same body repeated its comments in the response to different questions. In such cases, the comments and EBA analysis are included in the section of this paper where the EBA considers them most appropriate.

Changes to the draft RTS have been incorporated as a result of the responses received during the public consultation.



## Summary of responses to the consultation and the EBA's analysis

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
<b>Responses to questions in Consultation Paper EBA/CP/2020/07</b>			
Question 12.	Are the provisions of the RTS, the templates and instructions clear? In those cases where you identify issues, please provide concrete examples or detailed explanations to illustrate your doubt.	Following the revision of the methodology RTS, only two templates remain:	Amendments to align with the final draft RTS developed in accordance with the mandate of Article 8a(6), point (b) CRD ('methodology RTS')
Scope of application of the requirement to report the different templates	Two respondents seek confirmation that templates I 10.01, I 10.02 and I 10.03 have to be submitted by the parent entity and only need to be submitted where the total assets (consolidated assets) of the firm or group exceed EUR 5 billion and the firm/group entities carry out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU.  One respondent seeks a clarification on whether templates I 10.02 and I 10.03 should be filled in by all investment firm groups, or only by those that qualify for the group test.	<ul style="list-style-type: none"> <li>▪ I 10.01, capturing aggregate data about the reporting entity itself and, where applicable, the group it belongs to;</li> <li>▪ I 10.02, capturing entity-by-entity data for all entities included in the group test.</li> </ul>	
		I 10.01 needs to be submitted by all investment firms carrying out any of the activities referred to in points (3) and (6) of Section A of Annex I to Directive 2014/65/EU – but, in accordance with Article 55 IFR, only if either the value of the consolidated assets of the investment firm or, where applicable, the value of the consolidated assets of the group over the previous 12 months as determined in accordance with the methodology RTS is equal to or exceeds EUR 5 billion.	
		Template I 10.02 needs to be submitted under the same conditions as specified for template I 10.01, plus the additional condition that there must be at least two relevant undertakings, or at least one relevant	



Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		<p>undertaking and one relevant third country branch, whose total assets have to be considered in the group CI test (i.e. there must be at least two relevant undertakings or one relevant undertaking and a relevant third country branch whose total consolidated assets are less than EUR 30 billion each).</p> <p>In other words, template I 10.02 does not have to be submitted, where</p> <ul style="list-style-type: none"> <li>▪ the relevant undertaking is a stand-alone entity, i.e. not part of a group; or</li> <li>▪ the relevant undertaking is part of a group, but it is the only entity meeting the criteria for being included in the group CI test under Articles 6 and 7 of the methodology RTS.</li> </ul>	
Level of application of the reporting requirement	<p>With regard to both the ITS on reporting developed based on the mandate of Article 54 IFR <i>[not covered by this final report]</i> and the one based on the mandate of Article 55 IFR, one respondent seeks a clarification as to whether all templates need to be reported both on an individual and consolidated basis, or whether there is an option to report only on a group-wide basis in order to reduce the amount of reporting required, arrive at a more proportionate reporting and still deliver a reporting that is fit for purpose.</p>	<p>The classical distinction between individual and consolidated reporting does not apply in the case of these RTS on threshold monitoring, in the light of the specific calculation methodology prescribed in the methodology RTS. Please refer to the previous answer regarding details on the question as to who has to report what.</p>	No amendments needed
Basis for calculating the threshold	<p>Two respondents advocate that the threshold calculation should be based on the same methodology by which the amount of own funds is</p>	<p>This matter is outside the scope of the consultation.</p>	No amendments needed



**Comments**

**Summary of responses received**

**EBA analysis**

**Amendments to  
the proposals**

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determined (e.g. including deductions for significant investments, intangible assets, deferred tax assets etc.)

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