
Public hearing on third-country branch related regulatory products under CRD6

3 September 2025

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01

CP on draft RTS on TCB booking arrangements

1. Background

- Article 48h of Directive 2013/36/EU (CRD) requires third-country branches (TCBs) to **maintain a registry book of their activities** and **apply clear booking arrangements**.
- In particular, TCBs should:
 - i. Maintain a registry book to track and keep a record of all their assets and liabilities booked or originated, and manage these assets and liabilities autonomously within the TCB;
 - ii. Develop and regularly review and update a policy on booking arrangements;
 - iii. Provide to the Competent Authority an independent written and reasoned opinion on the implementation of and ongoing compliance with these requirements.
- Article 48h of the CRD includes a mandate for EBA to develop an RTS to specify the booking arrangements that TCB are to apply for the purposes of that Article.

2. Legal basis

Article 48h(4)

EBA shall develop draft regulatory technical standards to specify the booking arrangements that third-country branches are to apply for the purposes of this Article, in particular as regards:

- (a) the methodology to identify and keep a comprehensive and precise track record of the assets and liabilities booked by the third-country branch in the Member State; and
- (b) the methodology to identify and keep a record of off-balance-sheet items and of the assets and liabilities originated by the third-country branch and booked or held remotely in other branches or subsidiaries of the same group on behalf of or for the benefit of the originating third-country branch.

EBA shall submit those draft regulatory technical standards to the Commission by **10 January 2026**.

3. Draft RTS: Accounting framework

Article 1: definition of “accounting framework” in line with the one applied for reporting purposes

- The draft RTS leverage on the concepts and definitions provided by the accounting framework used by the TCB for reporting purposes, as envisaged under Article 48k of the CRD.
- This aligns the maintenance process of the registry book with any pre-existing accounting processes, thereby ensuring consistency in definitions and procedures.

3. Draft RTS: Assets and liabilities booked or originated

Article 2: TCBs should record in their registry book all assets and liabilities “booked” or “originated”, and off-balance-sheet exposures

- The concepts of “booked” and “originated” are provided in line with the accounting notion of recognition/derecognition:
 - Assets and liabilities booked are those recognised in accordance with the accounting framework.
 - Assets and liabilities originated are those not recognised in accordance with the accounting framework due to the initial or subsequent full or partial transfer of risks and rewards or obligations to other entities.
- The concept of “off-balance sheet items” refers to items that represent contingent assets or liabilities as well as to derivative instruments when not recognised under the accounting framework. Including items listed in Annex I and II of the CRR.

Q1. Is the proposed distinction between the concepts of “assets and liabilities booked” and “assets and liabilities originated” sufficiently clear?

Q2. Is the proposed concept of “off-balance sheet items” sufficiently clear?

3. Draft RTS: Methodology (1)

Article 2: Bookkeeping system to track transactions and record any assets and liabilities booked or originated, as well as off-balance sheet items

- Any transactions carried out by the third-country branch should be tracked and assessed for recording assets, liabilities and off-balance sheet items in the registry book, including those:
 - related to their authorised activities;
 - that do not require authorisation;
 - that concern intragroup transactions; or
 - entered into on the basis of reverse solicitation of services.

Q4: Do you agree with the proposed treatment of intragroup exposures, including intragroup funding from the head undertaking? Is the treatment of these exposures sufficiently clear?

3. Draft RTS: Methodology (2)

Article 2: Bookkeeping system to track transactions and record any assets and liabilities booked or originated, as well as off-balance sheet items

- Processes, systems, and procedures in place for timely identifying and keep track of all assets, liabilities and off/balance sheet items associated with the activities performed by TCBs in Member States.
- Classification and measurement of all the assets and liabilities ‘booked’, including impairment, depreciation and amortisation.
- Specific requirements requested for assets and liabilities ‘originated’, given that for those items the risks associated have been transferred to another entity.

Q3. Do you have any comments on the proposed bookkeeping requirements under paragraph 3?

Q5. Do you agree with the proposed treatment and measurement of assets and liabilities originated?

3. Draft RTS: Minimum content of the registry book

Article 3: Minimum set of information that should be maintained in the registry book

- The draft RTS specify the set of information to be maintained in the registry book for all assets, liabilities and off-balance sheet items, in line with the size and complexity of the TCB's activities and their associated risks.
- The list of information aims at harmonizing TCBs practices while ensuring that a common set of information is maintained by TCBs, on a minimum basis, where appropriate.

Q6. Do you have any comments on the minimum content of the registry book proposed in Article 3?

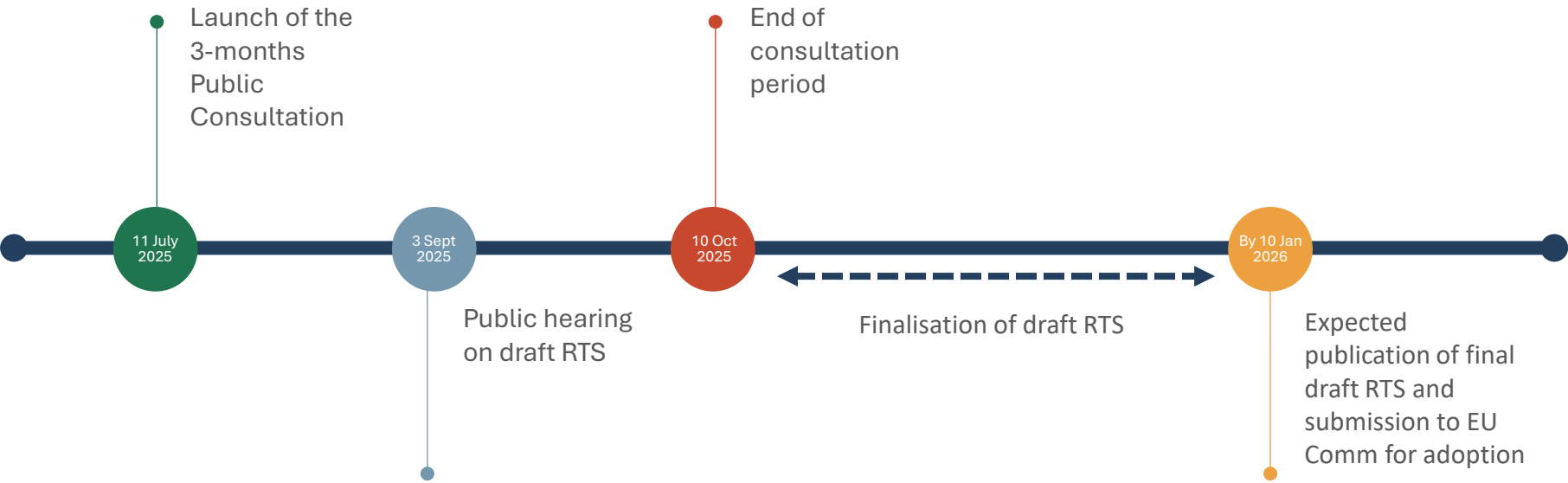
3. Draft RTS: Information on risks

Article 4: The registry book should provide all necessary information on the risks generated by the TCB and their management, ensuring adequate monitoring of the risk management activities

- Complementary provisions are given on the obligation set out in the CRD for the registry book to provide all necessary and sufficient information on the risks generated by the TCB and on how they are managed.
- Obligation is proportional to the size and complexity of the TCB and specifies minimum requirements on the type of information to be reported.

Q7. Do you have any comments on the approach proposed to provide information in the registry book on the risks associated to the assets, liabilities and off-balance sheet items, and how they are managed?

5. Timeline



02

CP on draft Guidelines on instruments for the capital endowment

1. Background and legal basis

Article 48e CRD introduced a minimum capital endowment requirement (CER) for third country branches (TCBs) that **shall be available for use for the purposes of Article 96 of BRRD in the case of resolution of the** TCB and for the purposes of **the winding-up** of the TCB in accordance with national law.

CRDVI Article 48e

Capital endowment requirement

[...]

2. Third-country branches shall fulfil the minimum capital endowment requirement referred to in paragraph 1 with assets in the form of any of the following:

(a) cash, or cash assimilated instruments as defined in Article 4(1), point (60), of Regulation (EU) No 575/2013;

(b) debt securities issued by central governments or central banks of Member States; or

(c) any other instrument that is available to the third-country branch for unrestricted and immediate use to cover risks or losses as soon as those risks or losses occur.

Mandate EBA

[...]

4. By 10 July 2026, EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to **specify the requirement laid down in paragraph 2, point (c), of this Article** in relation to instruments that are available for unrestricted and immediate use to cover risks or losses as soon as those risks or losses occur.

2. Overview of the draft GLs - Structure of the CP and main content (1/3)

List of eligible instruments under Article 48e(2)(c) (as mandated by Art. 48e(4) CRD)

- Debt securities whose risk weight under the standardised approach for credit risk would be 0%

Operational conditions (EBA own initiative)

- To ensure that the assets eligible for the capital endowment requirement serve their purpose (can be used in resolution/winding-up)

Details in the next slides

2. Overview of the draft GLs – List of instruments (2/3)

These instruments should be:

- 1) Listed on a recognised exchange and be easily monetised at any time
- 2) Not issued by the head undertaking or any of its subsidiaries or securitisation special purpose entity with link to the head undertaking
- 3) Valued considering the market price

- Debt securities **guaranteed** by central governments of the Union or the ESCB central banks;
- Debt securities **issued or guaranteed by:**
 - **regional governments or local authorities** of Member States provided that the conditions laid down in article 115(2) of Regulation (EU) 575/2013 are met;
 - **central, regional or local governments or central banks of third countries** which apply supervisory and regulatory arrangements at least equivalent to those applied in the Union and that would receive a 0% risk weight under the standardised approach as a result of the application of Articles 114(7) and 115(4) of Regulation (EU) 575/2013;
 - **public sector entities that would receive a 0% risk weight** under the standardised approach as a result of the application of Article 116(4) of Regulation (EU) 575/2013;
 - **multilateral development banks** listed in Article 117(2) of Regulation (EU) 575/2013;
 - **international organisations** listed in Article 118 of Regulation (EU) 575/2013.

2. Overview of the draft GLs – Operational conditions (3/3)

○ **TCB should:**

- a) take into account liabilities held on their books (liabilities booked) in accordance with the ITS on reporting for TCBs to calculate the minimum CER;
- b) ensure that the capital endowment assets deposited in the escrow account are always and continuously available in case of resolution and winding-up of the TCB;
- c) implement arrangements, strategies, processes and mechanisms to meet their CER on a continuous basis and to comply with the provisions of the GL;
- d) monitor the geographical location of the capital endowment assets (location of the issuer or of the protection provider, where relevant), their concentration risk and the consistency of their currency denomination with the distribution by currency of the liabilities.

○ **The capital endowment assets deposited in the escrow account should:**

- a) not be counted towards the liquidity requirement of Article 48f CRD;
- b) be free from any encumbrance.

3. Questions for consultation

1


Do you consider the described requirements that capital endowment instruments should meet appropriate to ensure that they are available for use in the case of resolution of the TCB and for the purposes of the winding-up of the TCB? Is there any further requirement the EBA should consider adding? Or alternatively removing?

2

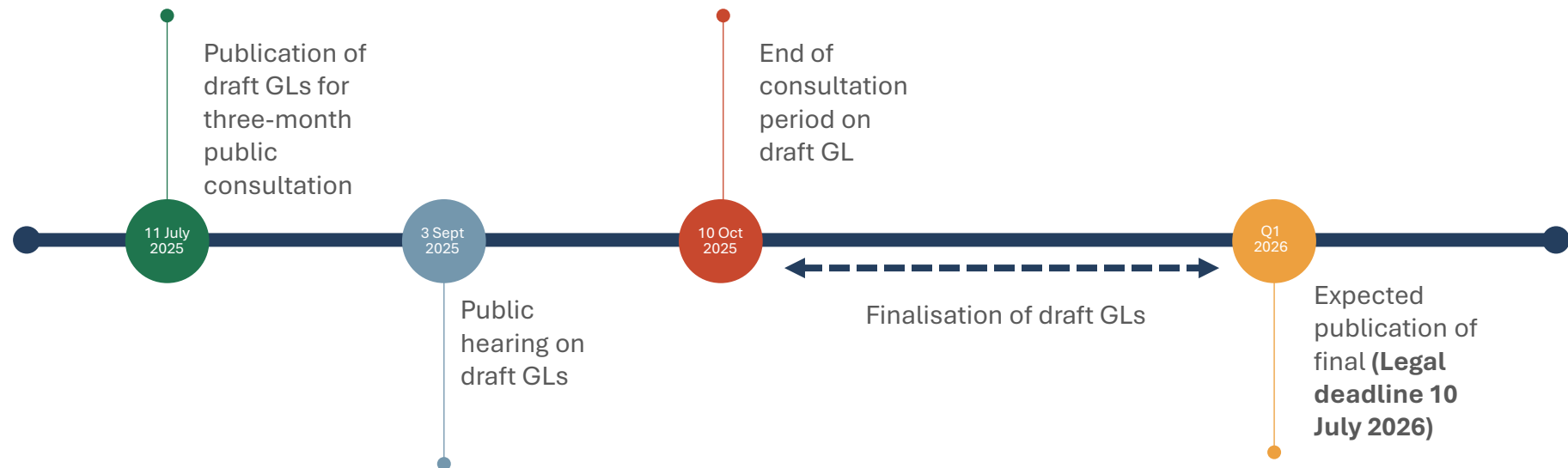
Do you consider the list of instruments proposed for the purposes of Article 48e(2)(c) of Directive 2013/36/EU adequate? Is there any further instrument the EBA should consider adding? Or alternatively removing?

[Guidelines on third country branches capital endowment requirement | European Banking Authority](#)

Kindly send your
comments
by **10 Oct 2025**



4. Timeline and next steps



03

CP on draft RTS on supervisory cooperation and colleges

1. Background and legal basis

CRDVI Article 48p

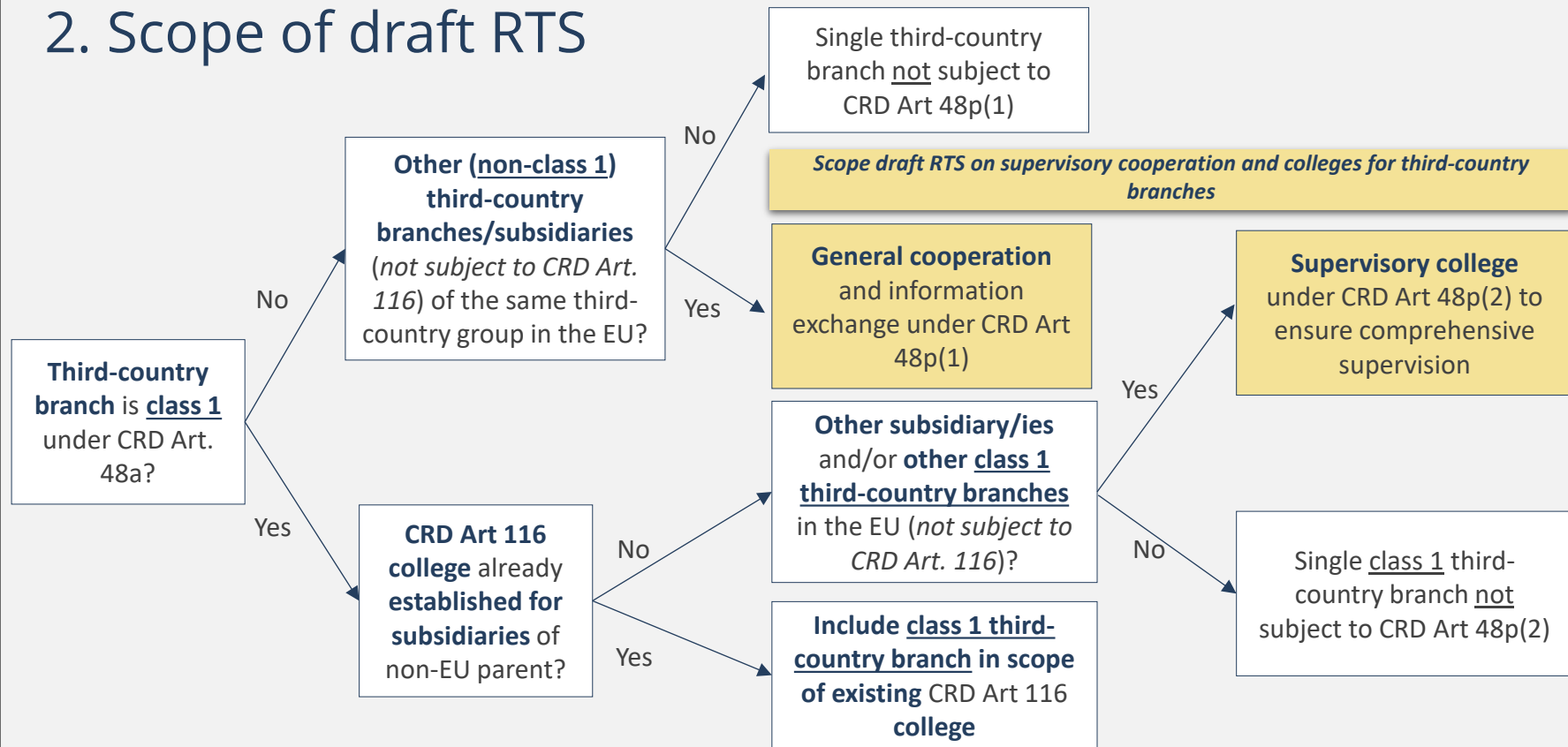
General cooperation obligation and colleges of supervisors

1. **Competent authorities, supervising third-country branches and subsidiary institutions of the same third-country group** shall **cooperate closely** and **share information** with each other. The competent authorities shall have written coordination and cooperation arrangements in place in accordance with Article 115.
2. For the purpose of paragraph 1, **class 1 third country branches** shall be **subject to** the **comprehensive supervision of a college of supervisors** in accordance with Article 116.

Mandate EBA

6. EBA shall contribute to promoting and monitoring the efficient, effective and consistent functioning of the colleges for supervisors referred to in this Article in accordance with Article 21 of Regulation (EU) No 1093/2010.
7. EBA shall develop draft regulatory technical standards to specify:
 - (a) the **mechanisms of cooperation** and the draft model arrangements between competent authorities for the purposes of paragraph 1; and
 - (b) the **conditions for the functioning of colleges of supervisors** for the purposes of paragraphs 2 to 6.

2. Scope of draft RTS



3. Proportionality in draft RTS

The draft RTS aim to provide a **proportionate and flexible approach** to the general cooperation and colleges **while respecting the legal constraints of the mandate** and **allowing for an efficient and effective cooperation and information exchange** adapted to the specific nature, size activities and context of third-country branches avoiding unnecessary duplication of efforts.

- ✓ In view of proportionality, a **simple college set-up** is proposed with a **focused membership**;
- ✓ The college is **focused on class 1 third-country branches** in line with the CRD mandate *allowing flexibility to invite competent authorities of class 2 third-country branches as observers*;
- ✓ An **opt-out mechanism** is included **for college observers**;
- ✓ The **use of college substructures is not foreseen**;
- ✓ The **minimum frequency for updating the mapping** is set to **every three years** rather than annually;
- ✓ A **simple mapping template** is included in the draft RTS based on data available to competent authorities;
- ✓ Items included in **information exchange under the written coordination and cooperation arrangements** are **adapted to the specific nature of third-country branches, aligned to the reporting requirements** under CRD Article 48k and the draft ITS on reporting, and more limited for non-college cooperation.

4. Overview of draft RTS (1/2)

Supervisory colleges for class 1 third-country branches

Mapping

Draft RTS contain practical modalities and a simple mapping template to assist the lead competent authority under CRD Article 48p(3) to **establish the mapping of the branches and subsidiaries of the third-country group** with input from the relevant authorities.

Establishment of college of supervisors

If following the mapping the criteria are fulfilled to establish a college of supervisors for class 1 third-country branches the competent authorities shall follow the **steps** set out in the draft RTS **for setting up the college** and **the written coordination and cooperation arrangements**.

Written coordination and cooperation arrangements

The draft RTS provide the elements to be included in the written coordination and cooperation arrangements to ensure the effective functioning of the college.

Functioning of college of supervisors

Practical details provided on the **information exchange, meetings, activities, and interactions of the college** to ensure smooth operating of the college.

Facilitation of supervisory tasks

Elements included to **facilitate information exchange and strengthen cooperation of supervisory tasks**, including for the performance of the SREP, the assessment of the systemic importance of a third-country branch, and the exchange of information on events with adverse impact on the risk profile of the group or its entities, early warning signs, potential risks and vulnerabilities and the use of supervisory measures.

Planning and coordination for emergency situations

Modalities set out for the **planning and coordination** of supervisory activities in preparation **for** and during **emergency situations** to allow for coordinated supervisory monitoring and actions.

4. Overview of draft RTS (2/2)

General cooperation and information exchange

Written coordination and cooperation arrangements

If following the mapping the criteria are not fulfilled to establish a college of supervisors the competent authorities shall follow the **steps** set out in the draft RTS **for establishing the written coordination and cooperation arrangements.**

In view of proportionality, the **elements to be included in the written coordination and cooperation arrangements** for third-country branches not subject to the set-up of a supervisory college are more limited and adapted to the specific context of these third-country branches.

Written coordination and cooperation arrangements

Practical details to **organize the information exchange, and cooperation between competent authorities** supervising third-country branches and subsidiaries of the same third-country group in the EU.

Facilitation of supervisory tasks

Elements included to **facilitate interaction and cooperation of supervisory tasks** in going concern, including for the performance of the SREP and the assessment of the systemic importance of a third-country branch.

Cooperation in emergency situations

Modalities set out for the **supervisory cooperation** during **emergency situations.**

5. Questions for consultation

1

Do you consider that the **provisions on the establishment and functioning of colleges** of supervisors for third-country branches set out in Chapter 1 are appropriate and sufficiently clear?

2


Do you consider that the **provisions on the general cooperation and information exchange** for the supervision of third-country branches (outside of the college context) set out in Chapter 2 are appropriate and sufficiently clear?

3

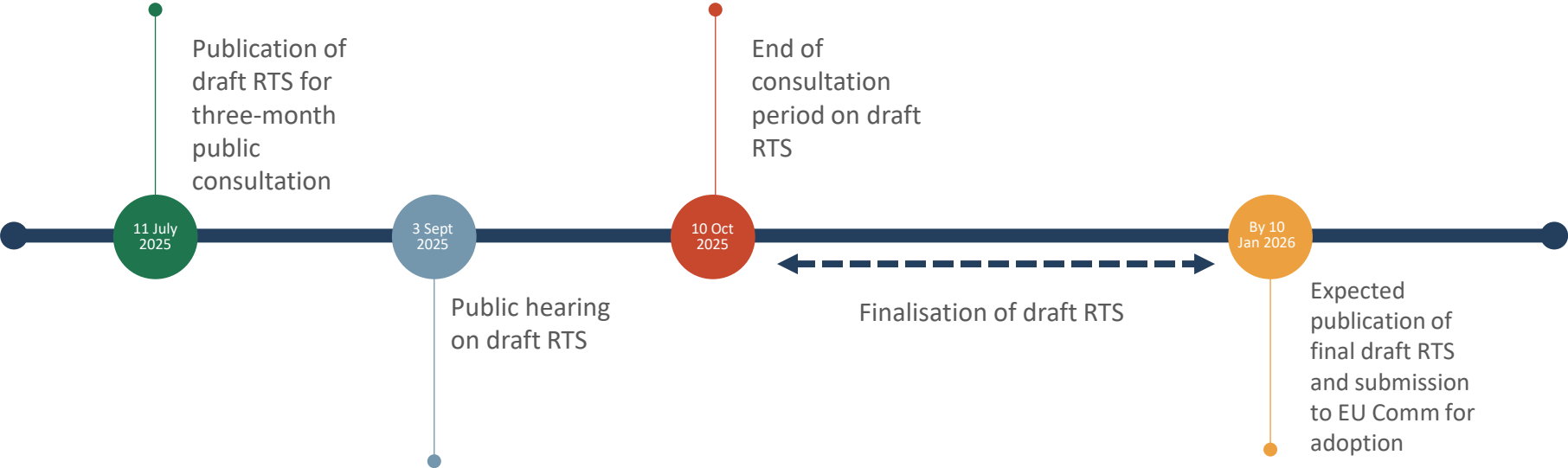
Do you consider that the draft RTS provide an appropriate **level of proportionality** adapted to the specific context and nature of third-country branches?

[Regulatory Technical Standards on cooperation and colleges of supervisors for third-country branches](#) | [European Banking Authority](#)

Kindly send your
comments
by **10 Oct 2025**



6. Timeline and next steps



Thank you!



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