John Berrigan
Director General
Directorate-General for Financial Stability,
Financial Services and Capital Markets Union (FISMA)
European Commission
Rue de Spa 2
1049 Brussels
Belgium

EBA-2025-D-5325
ESMA35-24871704-2913

15 October 2025

Subject: Submission of the Final report on the Call for Advice on the investment firms' prudential framework – Ares(2023)725385

Dear Mr Berrigan,

We are writing in reference to your letter of 1 February 2023 to the EBA and ESMA seeking input and technical advice on the review of the prudential framework for investment firms, as outlined in the Call for Advice[1] (CfA) accompanying the letter.

The EBA and ESMA welcome the CfA, as it has allowed a careful review of the functioning of the IFR/IFD and will contribute to its effectiveness and development going forward. The technical advice is based on a thorough and comprehensive analysis of the regulatory framework for investment firms, which required, as you are aware, significant time to develop, also because of the effort to involve stakeholders. The Report includes recommendations meant to fine-tune the functioning of the prudential framework for investment firms, as well as recommendations intended to better place the IFR/IFD regime in the broader regulatory landscape and to promote a better integration and interplay between the IFR/IFD regime and adjacent regimes, such as the CRR/CRD, MiCAR, AIFMD and UCITS Directive.

Following the changes in the Banking Package and the letter received on 29 January 2024 (Ares(2024)636867) requesting the EBA to restart work on a number of technical standards[2] , this work has not been tackled in the technical advice. EBA is therefore continuing work on this separately.

[1] CfA_IFR and IFD review - final.pdf

[2] The three specific mandates: 1) draft RTS on the methodology for the calculation of the EUR 30 bn threshold for the reclassification of investment firms as credit institutions mandated in Article 8a(6)(b) of Directive 2013/36/EU; 2) draft RTS on the provision of information for the effective monitoring of the EUR 30 bn threshold mandated in Article 55(5) of Regulation (EU) 2019/2033 following amendments to Article 4(1)(b) of Regulation (EU) No 575/20133 and 3) Article 8a of Directive 2013/36/EU.

With respect to Section B5 of the CfA, which addresses specific considerations for commodity and emission allowance dealers as well as energy firms, the EBA has received ESMA's contribution in the form of a comprehensive presentation covering the market overview of EU energy derivative markets and market participants. In the end, we however decided not to cover Section B5 in the current technical advice. It would therefore be helpful if we could discuss further with the European Commission how this work can best be approached to ensure also alignment with the Commission's broader strategy in the energy sector.

Finally, it is our pleasure to submit to you today this Final report on the CfA on the investment firms' prudential framework as endorsed by the EBA's and ESMA's Board of Supervisors.

In addition, the technical advice will be published on the EBA's and ESMAs respective public websites.

We remain at your disposal should you need any further information.

Yours sincerely,

José Manuel Campa
EBA Chairperson

Verena Ross
ESMA Chair

CC: Aurore Lalucq, Chair of the Committee on Economic and Monetary Affairs, European Parliament
Monika Nogaj, Head of ECON Secretariat, European Parliament
Stephanie Lose, ECOFIN Chair, Minister for Economic Affairs, Presidency of the Council of the EU
Tuomas Saarenheimo, Chair of Economic and Finance Committee, Council of the European Union
Thérèse Blanchet, Secretary-General, Council of the European Union
Ugo Bassi, Director Dir D, Banking, Insurance and Financial Crime, DG FISMA
Almorò Rubin de Cervin, Head of Unit D1, Bank regulation and supervision, DG FISMA

Encl: Final report on the Call for Advice on the investment firms' prudential framework