EBA/CP /2026/11

17/07/2026

Consultation Paper

Draft Implementing Technical Standards on amending Commission Implementing Regulation (EU) 2016/2070 with regard to the benchmarking of approaches for calculating own funds requirements – 2027 market risk benchmarking exercise.

Contents

1. Responding to this consultation

The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in 5.2.

- Comments are most helpful if they:
- respond to the question stated;
- 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 17.07.2026. Please note that comments submitted after this deadline, or submitted via 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 (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the Legal notice section of the EBA website.

2. Executive Summary

Article 78 of Directive 2013/36/EU (CRD) requires competent authorities to conduct an annual assessment of the quality of approaches used for the calculation of own funds requirements. To assist competent authorities in this assessment, the EBA calculates and distributes benchmark values to CAs that allows a comparison of individual institutions' risk parameters. These benchmark values are based on data submitted by institutions as laid out in Commission Implementing Regulation (EU) 2016/2070 which specifies the benchmarking portfolios, templates and definitions to be used as part of the annual benchmarking exercises.

For the 2027 benchmarking (BM) exercise the following changes are suggested:

- For market risk (MR), the templates and instructions have been updated to reflect the further progress in the implementation of the Fundamental Review of the Trading Book (FRTB). Key revisions include:
  - In light of the European Commission's draft FRTB Delegated Act, benchmarking of the current IMA will resume after the 2026 pause, while benchmarking of the FRTB AIMA will be postponed due to the expected transitional period and limited initial uptake of AIMA.
  - Expanded Scope: The Implementing Technical Standards (ITS) have been amended to extend the exercise's scope to banks exclusively applying the Alternative Standardised Approach (ASA).
  - Simplified Instrument Portfolio: The portfolio instruments have been revised to update and streamline data collection, improving efficiency and reducing complexity.
  - Postponed Timeline: The exercise timeline has been delayed from the first half to the second half of the year to account for the broader scope, now including ASA-only banks, which require additional preparation time.

- The templates related to credit risk (CR) and IFRS 9 have been removed, enabling a restructuring and reorganisation of the Market Risk Annexes for greater clarity and efficiency.

The EBA supervisory benchmarking serves three major objectives, the first one being the above-mentioned supervisory assessment of the quality of internal approaches. However, it also provides a powerful tool as well to explain and monitor RWA variability over time and horizontally and to indicate related implications for prudential ratios and the relevant policy. Lastly, the benchmarking results also provide the institutions with valuable information on their risk assessment compared to other institutions' assessment on comparable portfolios.

Next steps

The Annexes presented in this draft ITS replace or are added to the existing set of templates in order to create a consolidated version of the updated draft ITS package.

These draft ITS will be submitted to the Commission for endorsement before being published in the Official Journal of the European Union. The technical standards will apply 20 days after publication in the Official Journal.

3. Background and rationale

.3.1 Market Risk benchmarking

1. As part of the 2027 update to the Implementing Technical Standards (ITS) for the market risk benchmarking exercise, the templates have been amended to enable data collection under the Alternative Internal Model Approach (AIMA) framework. These revisions reflect the changes introduced under CRR3 to transpose the Fundamental Review of the Trading Book (FRTB) requirements, while also accounting for the anticipated delays in implementation. [European Commission Delegated Act].

2. Given the amendments proposed by the European Commission as part of the draft FRTB Delegated Act[1], and the expected limited number of banks that will use AIMA from the outset, it is proposed not to immediately commence AIMA benchmarking in 2027. However, to ensure smooth implementation of AIMA benchmarking in a future exercise, it is proposed to provide a simple set of templates with essential information already at this stage.

3. The new templates for the AIMA benchmarking exercise have been designed to closely align with the structure of the COREP templates used for the collection of AIMA information. Similar templates had already been consulted in the 2025 and 2026 consultation papers on the amendments to the benchmarking ITS; however, they were ultimately omitted from the final draft reports due to the two consecutive postponements of the FRTB implementation. These templates are now being reintroduced in a further simplified form.

4. Another significant implication of the draft FRTB Delegated Act is that banks that were supposed to move from the current SA or IMA to the FRTB approaches (ASA and AIMA), are proposed to be allowed applying the current SA or IMA for the computation of their own funds requirement for a period up to three years, via the adoption of a multiplier factor designed to mitigate the increase of the possible of own funds requirements due to the introduction of the FRTB. Because of this provision, the benchmarking of the current IMA model will be resumed, after the 2026 pause.

5. As far concerns the FRTB Alternative Standardised Approach (ASA), no substantial changes have been introduced to the data collection framework. Nevertheless, although the ASA data collection framework remains largely unchanged, particular attention must be given to Article 78 of the CRD[2], as amended by CRD 6[3]. Under this new mandate, banks applying also solely the FRTB ASA will be in

[1] Commission adopts temporary adjustments to Basel III Market Risk Rules to safeguard EU banks' competitiveness - European Commission

[2] 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, pp. 338–436).

[3] Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (OJ L, 2024/1619, 19.6.2024, ELI: http://data.europa.eu/eli/dir/2024/1619/oj).

the scope of the exercise, therefore the 2027 benchmarking exercise will encompass a significantly larger number of institutions — approximately 100 — compared with the roughly 40 institutions included in previous market risk benchmarking exercises. Given the high number of new entities applying ASA entering the scope of the exercise, a postponement of a few months with respect to the timeline of former exercises is proposed to facilitate the implementation of the benchmarking exercise.

6. More detailed description of the changes in the Market Risk Templates and benchmarking requirements is in the following section.

(i) Reshaping and re-ordering of the Markt Risk Annexes

7. Following the migration of the CR and IFRS 9 components of the exercise into the Commission Implementing Regulation (EU) 2024/3117 (ITS on Supervisory Reporting)[4] framework, the Market Risk Annexes have been reorganised accordingly. The substance of the material (instructions, portfolios, reporting instructions and templates) remains unchanged. However, the structure has been streamlined to facilitate future amendments and resubmissions.

8. Accordingly, the Market Risk Annexes are the following:

- **Annex I:** Booking Instructions,
- **Annex II:** Relevant dates of the exercise,
- **Annex III:** Instruments and Portfolios,
- **Annex IV:** ASA Validation,
- **Annex V:** Template Instructions,
- **Annex VI:** Templates.

9. The relationship between the new annexes and the previously existing annexes is presented in the following table:

Previously Existing Annex Structure (2026 and previous exercises)	Proposed Revised Annex Structure
Annex V – Instructions and Instruments	Annex I – Booking Instructions (based on previous Annex V, Section 1)
	Annex II – Relevant dates of the exercise (based on previous Annex V, Section 1)
	Annex III – Instruments and Portfolios (based on previous Annex V, Sections 2-5)
Annex X – ASA Validation	Annex IV – ASA Validation (based on previous Annex X)
Annex VI – Template Instructions	Annex V – Template Instructions (based on previous Annex VI)

[4] We recall that this migration of the Credit Risk and IFRS 9 benchmarking components into the ITS on Supervisory Reporting is not feasible for the Market Risk data collection. This is because the Market Risk benchmarking relies on hypothetical instruments and portfolios, which by definition do not exist within the ITS on Supervisory Reporting framework. By contrast, the Credit Risk part of the benchmarking exercise is based on actual observations, which are already reported in the ITS on Supervisory Reporting and can therefore be used for benchmarking purposes.

Previously Existing Annex Structure (2026 and previous exercises)	**Proposed Revised Annex Structure**
Annex VII – Templates	Annex VI – Templates (based on previous Annex VII)

(ii) Treatment of current IMA benchmarking in 3-year transition phase foreseen by European Commission draft DA on FRTB

10. The European Commission's 3rd Draft Delegated Act on the FRTB includes a derogation allowing institutions that would face an increase in own funds requirements when moving to the FRTB approaches (ASA and AIMA) to apply a multiplier—calculated using the current IMA—to neutralise that increase.

11. Under this arrangement, institutions will be required to run the FRTB ASA or AIMA in parallel with the CRR2 IMA during the three-year transitional period. This raises the question of whether the benchmarking data collection should continue to cover the CRR2 IMA throughout this phase.

12. Article 78 of the CRD supports continued benchmarking, as it requires institutions applying an internal model to participate in the benchmarking exercise. While the number of banks using the CRR2 IMA will likely decrease over time, maintaining IMA benchmarking remains important for supervisory purposes.

13. Continuing the full CRR2 IMA data collection ensures compliance with Article 78 CRD and involves no additional implementation costs, as existing templates can be reused. Even if the sample size diminishes, the benchmarking exercise will provide supervisors with a valuable tool to monitor, compare, and challenge IMA outcomes during the transition.

(iii) Data collection of the CRR3 AIMA

14. The expected transition from the current IMA to the FRTB ASA, together with the proposed measures to mitigate the impact of the FRTB, is likely to result in very few banks initially adopting the AIMA.

15. This limited uptake could undermine the statistical validity of the benchmarking exercise, given that the current methodology depends on a sufficiently large and representative sample in order to support meaningful benchmarking or peer comparisons.

16. On the other hand, additional quantitative information from early AIMA adopters, that would allow to compare the FRTB-AIMA with the FRTB-ASA and the CRR2-IMA, is potentially quite useful for supervisors, and the small sample size would not immediately affect this comparison.

17. Given these considerations, the current preferred approach is to pause the AIMA data collection until the actual number of banks and the scope of adoption of the FRTB-AIMA framework are clarified, and a more informed decision could be taken in merit of the opportunity to actually run the benchmarking data collection.

18. The templates for AIMA submission will still be made available, in this Consultation Paper for stakeholders to review and have the opportunity to comment on them; the mandatory FRTB-AIMA collection is currently deferred until further notice. This avoids the unnecessary cost of submitting bank data that could be insufficient or non-representative during the initial adoption phase.

(iv) Timeline of the Exercise

19. In accordance with point (i) above, the timeline for the exercise is now outlined in Annex II of this proposal.

20. To simplify future ITS amendments, the timeline adopts a generalised notation, specifying only the weekday and week of the month (e.g., the third Friday of February) rather than fixed calendar dates. This approach ensures clarity while avoiding the need for precise day-of-month definitions.

21. Beside the amendment to the way the relevant dates of the exercise are specified, further considerations for timeline adjustment were considered.

22. Given the inclusion of new participants — particularly banks applying the Alternative Standardised Approach (ASA) — it may be prudent to reassess the proposed timeline. These institutions could require additional preparation time, particularly in light of the delayed finalisation of these 2027 Benchmarking Implementing Technical Standards (ITS), which remains contingent on the European Commission’s FRTB proposal.

23. A revised timeline would not only accommodate the needs of newly included banks but also enhance the overall accessibility and effectiveness of the exercise, thereby contributing to a more robust and successful outcome.

(v) FRTB AIMA Templates

24. The ITS proposal provides a series of templates to collect the information concerning the FRTB AIMA approach. More specifically, the templates in Annex VI (which was the Annex VII of the original ITS) are similar, but simplified, version to the ones consulted in the 2025 and 2026 benchmarking ITS, before the FRTB double postponement in EU, are accompanied by the updated instructions in Annex V (i.e. Annex VI in the original ITS). They are specified as follows:

- Template 130.01 collects information on the risk factor eligibility test (RFET), which will indicate, at portfolio level, the number of the risk factors that pass or do not pass the RFET. Differences between institutions' submissions for Expected Shortfall and SSRM could be explained by their different performance in terms of RFET. The template is also designed to provide a granular set of information in terms of the numbers of risk factors considered, at benchmarking portfolio level, and their split between different risk classes and sub-classes.

- The Stress Period template (130.02) is very similar to the COREP templates, but will provide competent authorities with more specific information of the actual stress period applied for the benchmarking exercise (n.b. the COREP template is completed quarterly, which is not aligned with the benchmarking exercise timing).

- Template 130.03 – Daily Risk Measures. Within this template, institutions will provide the main risk measures: Expected shortfall risk measure (ES), Stress scenario risk measure (SSRM) and Default risk charge (DRC) by benchmarking portfolio, regardless of whether institutions actually have similar portfolios in their trading book, as long as the institutions have AIMA approval for those instruments, and are allowed to trade with the specific instruments in the portfolio by their internal policy. To keep the exercise consistent with the past exercise, the risk measures will be provided for a ten-working days (2 weeks) period.

- Template 130.04 – VaR-ES. This template requires to provide internal measure of Expected Shortfall and VaR. The timeseries of VaR and Expected Shortfall shall be of the same length as the data provided in the Daily Risk measures (template 130.03), i.e., two weeks of data. The VaR and Expected Shortfall are collected to assess their consistency with measures provided in template 130.03.

(vi) Amendments to instruments and portfolio Annex III (based on previous Annex V)

25. A series of changes, listed below, were introduced to the former Annex V, now split into 3 different annexes:

- The new Annex I essentially consolidates the Booking Instructions previously included in Section 1 of Annex V of the earlier ITS. While certain elements of the instructions have been updated, the substantive framework and guiding principles of the previous ITS remain largely unchanged.

- The new Annex II essentially reproduces the reference-date provisions that were previously set out in Section 1, point (b) of Annex 5, of the previous version of the ITS. In the updated structure, however, these dates are now expressed in generalised terms — for example, as the “fourth Friday” of a given month — so that the relevant benchmark dates remain unambiguously identifiable, while no longer requiring annual updates to reflect specific calendar dates.

- Annex III now contains Instruments and Portfolios description (i.e. what was before described in Section 2-6 of the previous Annex V).

- A series of amendments has been introduced to the set of instruments and portfolios. Certain instruments used in previous exercises have been removed where they were deemed redundant.

    - Deleted instruments (37):
        - EQ: 104, 105, 106, 107, 113, 114, 115, 116;
        - IR: 204, 210, 211, 212, 213, 215, 216, 219;
        - FX: 302, 307;
        - CS: 501, 505, 506, 512, 513, 516, 517, 518, 520, 521, 523, 524, 525, 526, 532, 533, 534;
        - ACTP: 603, 604.

- In addition, a limited number of new instruments have been added, drawing on the dedicated data collection carried out by the EBA on instruments currently held in the trading books of the institutions participating in the exercise.

    - Instruments introduced (10) - (new numbering in the proposed Annex III):
        - EQ: 114, 115, 116;
        - IR: 204, 218;
        - FX: 308;
        - COM: 406;
        - CS: 518, 519, 520.

(vii) Amendments to Annex V - Template Instructions (based on previous Annex VI)

26. Instructions remain unchanged compared to the previous framework. The only changes are concerning the new templates: 130.01-04.

(viii) Scope of the FRTB-ASA data collection – reference date to participate and instruments to be submitted

27. As noted above, the 2027 exercise will be the first year in which the scope of the benchmarking exercise is extended to a broader scope of institutions applying the FRTB ASA. This expansion will significantly increase in the number of institutions required to participate.

28. One important aspect concerns the determination of which institutions fall within the scope of the ASA data collection. Given the inherently dynamic nature of the conditions triggering the obligation to apply the ASA methodology, the requirement to participate in the benchmarking exercise may, in practice, vary over time for any institution potentially in scope. As a result, the population of institutions required to participate may change from one year to the next, depending on whether the institution qualifies for the derogation under Article 325a CRR[5], and whether the size of its on- and off-balance-sheet business subject to market risk is equal to or greater than EUR 500 million, in accordance with Article 325a(1)(b) CRR, as stipulated in Article 78(1)(b) CRD.

29. For instance, assuming that the exercise begins in June 2027, one could argue that all institutions required to compute the ASA and whose on- and off-balance-sheet business subject to market risk is equal to or greater than EUR 500 million at that point in time should automatically fall within the scope of the benchmarking exercise. It should be noted, however, that Article 78 of the CRD does not address this specific aspect.

30. At the same time, it is recognised that the proper implementation of the exercise requires institutions to have sufficient time to prepare and to ensure that their systems, processes and internal governance are adequately aligned with the benchmarking requirements. For this reason, it appears more appropriate to define a clear reference date determining which institutions applying the ASA methodology shall participate in the exercise.

31. To this end, the EBA proposes to introduce a **12-month reference point in time prior to the end of the exercise**. Institutions meeting the criteria for inclusion in the exercise at this point in time 12-months prior to the end of the exercise would be considered in scope of the benchmarking exercise. The end of the exercise would be marked by the Risk measures remittance date, as specified in the Annex II. The proposal suggests that the Risk measures module remittance date is the fourth Friday of October of each year. Therefore, following this logic, the first implementation of the new ASA mandate will have in scope the banks that are applying as of end of October 2026.

32. To implement this approach in a robust manner, **an amendment to Article 4 of the ITS is proposed**.

33. Moreover, it should be noted that, for the AIMA data collection, institutions are required to submit only those instrument types that are traded under approved AIMA trading desks and that are not prohibited by the institution’s internal policies nor excluded from its risk-measurement framework.

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[5] 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, pp. 1–337).

A similar principle applies to the ASA data collection. Accordingly, institutions participating in the ASA exercise will be required to submit the instruments (and corresponding portfolios) specified in Annex III of the benchmarking ITS **only where such instruments are compatible with their internal policies and trading systems**.

(ix) Institutions in scope of the FRTB-ASA data collection for position solely in their banking book – limited subset of data submission

34. The FRTB framework retains the requirement under the existing market risk rules to capture foreign-exchange (FX) and commodity risks stemming from banking-book positions through the market risk capital requirements. Certain institutions with a very limited trading-book business, and which therefore qualify for the derogation under Article 94 CRR, may nonetheless be required to implement the FRTB ASA solely for their banking-book FX or commodity exposures, where they do not qualify for the derogation under Article 325a CRR. If the business of such institutions that is subject to market-risk capital requirements pursuant to Article 325a exceeds EUR 500 million, they fall within the scope of the benchmarking exercise in accordance with Article 78 CRD.

35. In these circumstances, the current set of instruments may need to be tailored to appropriately reflect the risk profile of such positions. Moreover, as these institutions will only be in a position to model FX and commodity risk components, their own-funds requirements submissions would otherwise risk being distorted when compared with peers.

36. For these reasons, institutions falling within the scope of the exercise (ASA data collection) and benefitting from the Article 94 CRR derogation will be required to submit only the instruments and portfolios listed in Annex IV of the benchmarking ITS (SBM validation portfolios) for the FX and commodity asset classes. This scope may be expanded in subsequent exercises, once the number of institutions captured and the materiality of own-funds requirements arising solely from these banking-book positions have been fully assessed.

4. Draft implementing standards

COMMISSION IMPLEMENTING REGULATION (EU) No …/...

of [date]

amending Commission Implementing Regulation (EU) 2016/2070 laying down implementing technical standards for templates, definitions and IT-solutions to be used by institutions when reporting to the European Banking Authority and to competent authorities in accordance with Article 78(2) of Directive 2013/36/EU of the European Parliament and of the Council

THE EUROPEAN COMMISSION,

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

Having regard to 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, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, and in particular Article 78(8), third subparagraph thereof,

Whereas:

(1) Pursuant to Article 78(1) of Directive 2013/36/EU, institutions are required to submit to their competent authority, at least annually, the results of the calculations of their risk weighted exposure amounts or own fund requirements under their approaches for exposures or positions that are included in the benchmark portfolios, to enable that competent authority to assess the quality of those internal approaches (‘benchmarking exercise’).

(2) Pursuant to Article 78(3), second subparagraph, of Directive 2013/36/EU, the EBA has to produce a report to assist the competent authorities in the assessment of the quality of the institutions’ approaches, based on the results of the benchmarking exercise.

(3) The Commission specified the reporting requirements for the benchmarking exercise in Commission Implementing Regulation (EU) 2016/2070[6]. That Implementing Regulation should be amended regularly to reflect the changes in the focus of the competent authorities’ assessments and of the EBA’s reports. For the same reason, it is necessary to update once more the benchmark portfolios, and thus also the reporting requirements laid down in Implementing Regulation (EU) 2016/2070 to reflect prudential elements introduced in Regulation (EU) No 575/2013 as amended by Regulation (EU) No 2024/1623[7] and Directive 2013/36/EU as amended by Directive (EU) 2024/1619.[8]

[6] OJ L 328, 2.12.2016, p. 1–1422

[7] Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (OJ L, 2024/1623, 19.6.2024).

[8] Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks (OJ L, 2024/1619, 19.6.2024).

(4) In particular, for the market risk benchmarking, it is necessary to provide new templates and instructions to reflect the introduction as a reporting requirement into Regulation (EU) No 575/2013 of the Fundamental Review of the Trading Book (FRTB) standards, which is a comprehensive set of own funds requirements for market risk exposures developed by the Basel Committee on Banking Supervision, specifically the risk factor eligibility test done in accordance with Article 325be, stress period considered for calculations in accordance to Article 325bc(2), point (c), expected shortfall risk measure and the daily stress scenario risk measure, calculated in accordance with Articles 325ba, inputs to the calculation of the Expected Shortfall risk measure in accordance with Article 325bb, on the results of the back-testing in the value of the portfolio composed of all the positions assigned to the trading desk, which are considered for the purposes of Article 325bf(1) to (4).

(5) Implementing Regulation (EU) 2016/2070 should be amended accordingly.

(6) This Regulation is based on the draft implementing technical standards submitted to the Commission by the EBA.

(7) 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 advice of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010[9].

HAS ADOPTED THIS REGULATION:

Article 1

Implementing Regulation (EU) 2016/2070 is amended as follows:

(1) Article 2 is abrogated.

(2) In Article 3, paragraph 1 is replaced by the following:

‘For institutions applying approaches for market risk, as specified in Article 78(1) points (a) and (b), an institution shall submit to its competent authority the information specified in the templates of Annex VI, in accordance with the portfolio definitions and instructions contained in Annexes I, II, III, IV and V.’;

(3) Article 4, paragraph 1, letter (a) is abrogated.

[9] 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).

(4) Article 4, paragraph 1, letter (b) is replaced by the following:

‘The information referred to in Article 3 shall be submitted as it stands on the calculation dates specified in the instructions laid down in Annex II. An institution for the purposes of the benchmarking in accordance with Article 78(1), point (b), shall submit to its competent authority the information specified in Article 3 where the conditions specified in Article 78(1) point (b) of Directive 2013/36/EU as amended by Directive (EU) 2024/1619 are met on the last day of the same month of the previous year of the end of the data collection as specified by the remittance date in the instructions laid down in Annex II, point (viii).’

(5) In Article 4, paragraph 2 is replaced by the following:
‘An institution shall submit to its competent authority the information referred to in Article 3 for the reporting reference dates by the remittance dates, both specified in Annex II.’

Article 2

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

On behalf of the President

[Position]

ANNEX

Annex I to Commission Implementing Regulation (EU) 2016/2070 is amended as follows: Annex I

Annex II to Commission Implementing Regulation (EU) 2016/2070 is amended as follows: Annex II

Annex III to Commission Implementing Regulation (EU) 2016/2070 is amended as follows: Annex III

Annex IV to Commission Implementing Regulation (EU) 2016/2070 is replaced by the current Annex X to Commission Implementing Regulation (EU) 2016/2070.

Annex V to Commission Implementing Regulation (EU) 2016/2070 is amended as follows: Annex V

Annex VI to Commission Implementing Regulation (EU) 2016/2070 is amended as follows: Annex VI

Annex VII to X are deleted.

5. Accompanying documents

.5.1 Draft cost-benefit analysis for changes related to credit and market risk benchmarking

Article 78 of Directive 2013/36/EU (CRD IV) requires competent authorities to conduct an annual assessment of the quality of internal model approaches, used for the calculation of own funds requirements, and requires the EBA to produce a report to assist them in this assessment. The report of the EBA relies on data submitted by institutions in accordance with EU Regulation 2016/2070, which specifies the benchmarking portfolios, templates, definitions and IT solutions to be used by the institutions as part of the annual benchmarking exercise, when using internal model approaches for market and credit risk.

The current draft ITS aim to update the previous ITS for the benchmarking data collection with the purpose of improving the exercises and adapting to the relevant policy changes which will be applicable by end-2024 and thus relevant for the 2025 exercise.

With regard to the credit risk no metrics have been deleted or newly introduced. Therefore, no in-depth impact assessment is considered relevant.

(i) Market risk

Regarding the EBA's market risk benchmarking data collection, the purpose is to extend the set of information collected on the FRTB Internal Mode Approach (IMA). The new data concerns the various FRTB AIMA features, such as the Risk factors eligibility test, the stress period applied, the different risk measures (Expected shortfall, Stress Scenario Risk Measures and Default risk charge), as well as detailed information of the Expected Shortfall (partial expected shortfall) and Stress Scenario Risk Measures (SSRM).

As per Article 15(1) of the EBA regulation (Regulation (EU) No 1093/2010 of the European Parliament and of the Council), any ITS developed by the EBA shall be accompanied by an Impact Assessment (IA) annex which analyses 'the potential related costs and benefits' before submitting to the European Commission. Such annex shall provide the reader with an overview of the findings as regards the problem identification, the options identified to remove the problem and their potential impacts.

For the purposes of the IA section of the Consultation Paper, the EBA prepared the IA with cost-benefit analysis of the policy options included in the regulatory technical standards described in this Consultation Paper. Given the nature of the study, the IA is mainly high-level and qualitative in nature including quantitative analysis when possible.

A. Problem identification

With regard to the market risk benchmarking data collection, the previous ITS for benchmarking data collection have remained stable, in terms of risk measures collected (i.e. VaR, Stress VaR, IRC).

B. Policy objectives

The general objective of the current ITS is to update the previous ITS for benchmarking data collection to update the set of information that concerns the FRTB AIMA data collection.

The main objective of the implementation of the current draft benchmarking ITS is to extend the set of templates to have a data collection of the main element of the FRTB AIMA framework, specifically Expected Shortfall, Stress scenario risk measures, and default risk charges, as long as main information concerning the eligibility test, the stress scenario period applied, for a sub-set of instruments and portfolios to be benchmarked.

This would foster the strategic objective of creating a supervisory and reporting environment to ensure that institutions apply consistent modelling and valuation techniques. The following sections examine the options that could create such an environment, as well as the net impact that the implementation of such solutions implies.

C. Baseline scenario

For the market risk part of the exercise, for the EU institutions applying for the AIMA-FRTB, the current status of reporting the results of modelling and valuations implies the potential operational costs and miscalculations, which lead to overvaluation or undervaluation of the reported values for the purposes of the benchmarking exercises. Since the extent and magnitude of overvaluations or undervaluations cannot be identified, the impact assessment focuses on the assessment of the net impact on the institutions' operations.

D. Options considered

When developing the draft ITS, the EBA considered the following options:

Option 1: do nothing

This option implies that credit institutions continue reporting data for the benchmarking exercise using just the previous set of templates for the exercises to date.

For the market risk part of the exercise, the continuation of the application of just the previous set of templates assumes that credit institutions and the EBA have the usual operational cost assigned to providing clarifications and ensuring the consistent submission of data.

The 'do nothing' option would imply leaving the Implementing Regulation on market risk benchmarking unchanged, Annex VI and VII, which would result in obtaining no information as the new features of the AIMA approach cannot be represented with the current set of templates.

Option 2: revision of the templates relating to the benchmarking exercises

The main arguments that support the revision of the templates in the market risk benchmarking exercises are:

A. That the current template would not be appropriate to collect the new figures provided by the institutions applying FRTB AIMA framework;

B. potentially providing insights into the different functioning of the new market risk model.

For the market risk part of the exercise, the current ITS could achieve the objective by expanding the set of information collected. With new additional templates (130.01 - 130.07), concerning RFET, Stress period, daily risk measures, partial expected shortfall, VaR and P&L, as long as Stress Scenario Risk Measures. Moreover, this would provide new elements of analysis, for institutions and competent authorities.

E. Cost-Benefit Analysis

The principle of proportionality applies to all aspects of the impact assessment, including methodology, depth of analysis, level of detail and necessity of quantitative analysis. Being consistent with this principle, the EBA staff follow the principle of proportionality when conducting the cost-benefit analyses. Given that the implementation of the current ITS would have a negative impact, the following analysis focuses on the qualitative characteristics. In doing so, it provides rough estimations of the net monetary impact that relates to the conduct of benchmarking exercises.

The net impact on capital requirements, implied by the implementation of the current guidelines, cannot be precisely assessed because, substantially, it would depend on further actions agreed by institutions with national competent authorities in response to the benchmarking exercise results; however, it is expected to be on average close to zero due to the hypothetical market portfolio exercise framework.

Market risk:

Option 1

Costs: a possible loss of informativeness in the data collection.

Benefits: one-off benefits (reduction of the existing operational costs) of not dedicating human resources to the drafting the present ITS.

Option 2

Costs: the one-off cost of dedicating resources to the drafting of the ITS. There is also a source of minimal cost that relates to the need for the EBA to explain the new set of templates to the national competent authorities and, through them, the participating credit institutions. However, it is to be noted that the data requested with the new templates should not be too burdensome, since the instruments are basically the same as before, and the data collection logic is very similar to the COREP logic.

Benefits: the benefits of this option arise from providing new and complete AIMA-FRTB information and data, which would trigger the provision of additional insights to competent authorities and would keep the exercise relevant for the institutions involved.

F. Preferred option

The EBA considers that, although these benefits are not directly observable and are spread over time, they are not negligible, and they are considered more important than the costs enumerated above. For this reason, the preferred option is Option 2.

.5.2 Overview of questions for consultation

Questions

Q1: Do you see any issues or any missing information that should be required in the new templates suggested for the FRTB AIMA benchmarking exercise (i.e. Annex V & VI)?

Q2: Do you see any issues with specifying the timeline in Annex II (i.e. 4-month postponement compared to 2026 timeline)?

Q3: Do you see any issues or unclarity with the reference date for new ASA institution in the exercise as defined in the suggested draft of Article 4.1.(b)?

Q4: Do you see any issues with the new instruments / portfolios introduced in the Annex III?

Q5: Despite some improvements, we note that the instructions set out in Annex I, point JJ, are still not fully followed by part of the submitters. Could you please explain the reasons for this and suggest any changes that could help ensure compliance?

Q6: Are the instructions and templates clear to the respondents? If not, what should be clarified? Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?

Q7: Do the respondents agree that the amended ITS on Supervisory Reporting allows to fulfil the requirements and purpose of the Article 78 of the CRD?

Q8: What is the information (please refer to single columns) that you see as particularly costly to be provided? Please provide detailed information about the implementation and running costs of the proposed changes, also compared to the current total costs.