

Draft RTS on the reclassification of IFs as credit institutions

Public hearing
30 September 2026

Guidance for participants

- Please note that **microphones are muted** on entry. Kindly keep yourself muted during the presentation.
- Do **not** switch on your **camera** if you are not the speaker. To increase audio quality please turn off video streaming.
- If you would like to intervene during the **Q&A session**, please write your question(s) directly in the Teams chat.
- In case of **technical issues** with Teams:
 - ☐ Log out and log in again.
 - ☐ If that still does not solve your issue, you can try dialling in via phone through one of the local access numbers provided in the invitation or send an email to: meetings@eba.europa.eu

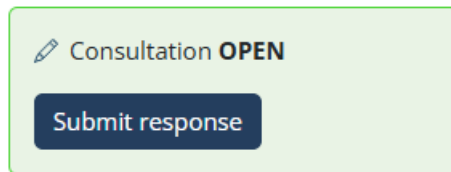
Contents

Background

- 1 Draft RTS on the methodology
 - 2 Draft RTS on the monitoring of the threshold
 - 3 Draft RTS on the waiver
-

Responding to this consultation

- Consultation page: [Consultation on Regulatory Technical Standards on prudential requirements for investment firms](#)
- Responses to the consultations can be sent to the EBA using the provided form:



Consultation **OPEN**

Submit response

- Deadline for submitting responses: **25 November 2026**
- All contributions received will be published after the consultation closes, unless requested otherwise.
- Comments can be provided on all elements of the draft RTS, even if the consultation paper has no explicit question.

Content of the consultation paper

- Article 8a(1) of the CRD requires investment firms (IFs) that breach one of the **thresholds** set out by points (a) and (b) of the same paragraph to obtain an **authorisation as a credit institution**.
- The CP contains three draft RTS that concern the reclassification of IFs as credit institutions:
 -  draft RTS on the methodology for calculating the total assets to be compared with the thresholds set out by points (a) and (b) of Article 8a(1) of the CRD (henceforth “credit institution threshold”) (**draft RTS on the methodology**);
 -  draft RTS on the information to be provided for allowing CAs to effectively monitor breaches of the credit institution threshold (**draft RTS on monitoring of the threshold**); and
 -  draft RTS on the elements to be taken in consideration by CAs when deciding whether to grant a waiver from the requirement to obtain a credit institution authorisation for investment firms breaching the credit institution threshold (**draft RTS on the waiver**).

Past consultations

- The **draft RTS on the methodology** and the **draft RTS on monitoring** have already been subject to two rounds of consultation.
- With the CRD 6, the text of Article 8a was modified so that **only the entities that are domiciled within the Union** need to be considered for the purposes of assessing whether the consolidated total assets of relevant entities in the group of the IF breach the threshold set out by Article 8a(1)(b) of the CRD.
- Such modification required the EBA to modify the draft RTS on the methodology and on reporting, which are therefore repropose for consultation.





1

Draft RTS on the methodology

Mandate

- **Article 8a(6)(b)** of the CRD mandates the EBA to define the methodology to be used for computing the **monthly total assets** whose average over a period of 12 consecutive months needs to be compared with the thresholds set out by points (a) and (b) of Article 8a(1) of the CRD.
- This version of the RTS provides clarifications on the sequential computations and tests that **relevant undertakings** (investment firms that are domiciled in the EU) need to perform to verify whether they breach one of the thresholds, and which entities should be included in the calculation.
- As computing the value of total assets with monthly frequency would be excessively burdensome, the draft RTS allow investment firms to compute the monthly values of total assets by **interpolating the data** available at adjacent quarterly reporting dates.

The 'solo test'

- Article 3(2) of the RTS requires relevant undertakings to consider the **assets of their subsidiaries and branches**, both in the Union and outside, in their individual consolidated total assets. Intragroup exposures toward its subsidiaries and branches in third countries can be removed from such value.

Relevant undertaking	Individual total assets < EUR 30bn	Individual total assets > EUR 30bn
Not part of a group	Case 1: No threshold breach.	Case 2: Need to request a credit institution authorisation.
Part of a group	Case 3: Need to perform the group test as described in Art. 6.	Case 4: Need to subtract all relevant intragroup exposures. If by doing so: a) Assets > EUR 30bn , need to request a credit institution authorisation. b) Assets < EUR 30bn , need to perform the group test as described in Art. 6.

The 'group test'

- Relevant undertakings falling in cases 3 and 4(b) of the previous slide need to compute the total value of the **consolidated assets of the relevant entities** in the group to which they belong, according to Article 6 of the draft RTS.
- For such computation, the total assets of **relevant undertakings with less than EUR 30bn in total assets** (cases 3 and 4(b)) should be included, while all relevant intragroup exposures between such entities can be deducted.
- If the consolidated assets computed in this way are above 30bn EUR, the relevant undertaking needs to **request a credit institution authorisation**.



Third-country branches



- In case of **branches** that perform activities referred to in Annex I, Section A, points (3) and (6) of MiFID, established in the Union **by third-country undertakings** performing activities referred to in Annex I, Section A, points (3) and (6) of MiFID and that have more than EUR 30bn in total assets, the two following cases arise:
 - a) the group to which these branches belong does **not have any relevant undertaking** with less than EUR 30bn in total assets: no need to perform the solo or the group test as branches do not have juridic personality and consequently cannot request a credit institution authorisation; or
 - b) the group to which these branches belong does have **one or more relevant undertakings** with less than EUR 30bn in total assets: the assets of the third-country branches need to be **considered for the purposes of the group test** of all the relevant undertakings of the group with less than EUR 30bn in total assets.



2

Draft RTS on monitoring of the threshold

Mandate and scope

- Article 55(1) of the **IFR** requires investment firms whose consolidated assets are equal to or exceed **EUR 5 billion** to verify the value of their total assets on a monthly basis and **report** such values on a quarterly basis, to allow CAs to monitor breaches of the credit institution threshold.
- **Article 55(5) of the IFR** assigns a mandate to EBA to develop draft RTS that further specify this obligation.

How and what to report

- Investment firms falling in the scope of the RTS should use the templates provided in Annex I to the CP, together with the instructions provided in Annex II, to report the data that CAs need to autonomously **assess** whether the undertaking has breached the credit institution threshold at individual or group level.
- In the templates accompanying the draft RTS, particular attention is given to:
 - the **identification of the parent company** in the context of the group test, to which are dedicated two datapoints, with the aim of easing the performance of consistency checks concerning reports of different entities belonging to the same group.
 - the contribution of **EU branches of third-country undertakings**, which is captured in a separate datapoint.
- The **templates** and **instructions** are also part of the [public consultation](#).

3

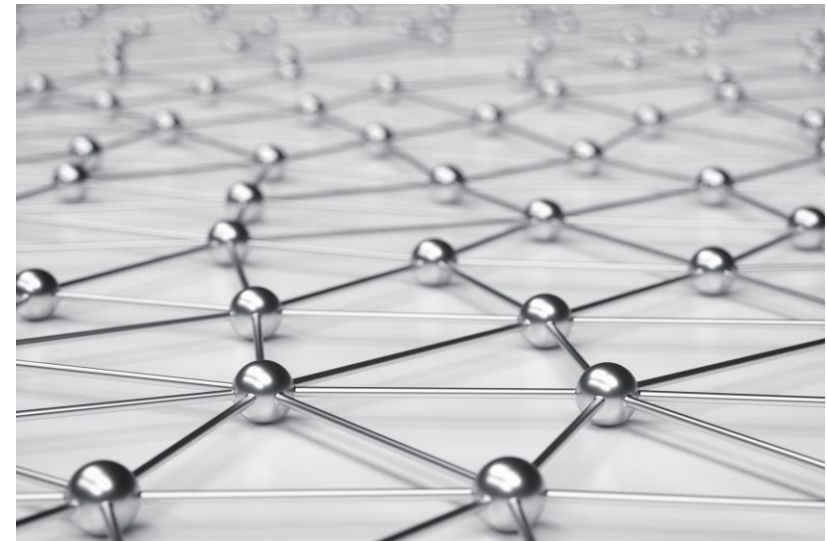
Draft RTS on the waiver

Mandate and scope

- Article 8a(3a) of the CRD **allows CAs to waive investment firms** that breach the credit institution threshold from obtaining the credit institution authorisation. To reach a decision concerning the waiver request, CAs need to consider:
 - an **EBA Opinion** on whether the submitter should be waived; and
 - a **set of elements** that are listed by Article 8a(3a) CRD:
 - if the undertaking is part of a group, the **organisational structure**, the **booking practices** and the **allocation of assets** of the entities of such group;
 - the **nature, size and complexity** of the activities carried out by the undertaking; and
 - the **systemic risk** posed by the activities carried out by the undertaking.
- Article 8a(7) requires the EBA to develop draft RTS to specify the elements to be considered by CAs when deciding on the waiver, with particular attention to the **counterparty credit risk** of the firm.

Organisational structure, booking practices and allocation of assets

- For assessing the organisational structure, the booking practices and the allocation of assets of the group of the undertaking, CAs need to consider two complementary elements:
 - the **organogram of the group**, so to analyse the complexity of the group structure, also from a geographical perspective, and the significance of cross-border operations among the relevant entities; and
 - the percentage of deals that are originated by one entity, but for which said entity is not fully responsible, with the objective of understanding the **interdependencies between the entities** of the group and whether they are relevant from a business standpoint.



Nature, size and complexity of the activities

- For assessing the nature, size and complexity of the activities of the undertaking, CAs shall consider:
 - The **business model and hedging policies** of the investment firm with the aim of analysing whether the residual market risk borne by the firm is expected to be immaterial;
 - The size and nature of the activity of underwriting or placing financial instruments on a firm commitment basis, with the aim of verifying it doesn't generate **financial stability concerns**; and
 - The percentage of dealing on own account performed **on behalf of clients**, with the aim of assessing whether the activities performed by the undertaking pose a risk for clients.

Systemic and counterparty credit risk

- To evaluate the **systemic risk** generated by the requesting undertaking, CAs are required to take in consideration:
 - whether the undertaking was identified as an **O-SII**;
 - The thresholds and the criterion used by CAs to assess the systemic risk of the firm in the context of **Article 5 of the IFD**; and
 - Number, size and concentration of **credit institutions reporting a large exposure** toward the requesting undertaking and under the supervision of the CA.
- To assess the **counterparty credit risk**, CAs are required to analyse the composition and the complexity of the **derivatives portfolio**, also taking into account:
 - the relevance for the market as a whole of the role of the requesting undertaking; and
 - the presence and quantity of complex products (e.g. path-dependent derivatives).

Q&A



Floor 24-27, Tour Europlaza
20 Avenue André Prothin
92400 Courbevoie, France

Tel: +33 1 86 52 70 00
E-mail: info@eba.europa.eu

<https://eba.europa.eu/>