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European Union

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### INFORMATION NOTE

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From: General Secretariat of the Council

To: Delegations

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Subject: Basel III finalisation (CRD VI) - Proposal for a Directive of the European Parliament and of the Council amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending Directive 2014/59/EU  
- Initial positions of the three Institutions prior to commencement of trilogues

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Delegations will find enclosed the opening position of the three institutions on the proposal mentioned above, prior to the commencement of the trilogue phase.

**Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending Directive 2014/59/EU (Text with EEA relevance)**

2021/0341(COD)

[Version for Trilogue on 9 March, 2023]

08-03-2023 at 16h41

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
1	2021/0341 (COD)	2021/0341 (COD)	2021/0341 (COD)
2	<p>Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending Directive 2014/59/EU</p> <p>(Text with EEA relevance)</p>	<p>Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending Directive 2014/59/EU</p> <p>(Text with EEA relevance)</p>	<p>Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending Directive 2014/59/EU</p> <p>(Text with EEA relevance)</p>
3	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,
4	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 53(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 53(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Article 53(1) thereof,

	Commission Proposal	EP Mandate	Council Mandate
4a		<i>deleted</i>	
5	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,
6	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,
7	Having regard to the opinion of the European Central Bank <sup>1</sup> , <u>1. OJ C , , p. .</u>	Having regard to the opinion of the European Central Bank <sup>1</sup> , <u>1. OJ C , , p. .</u>	Having regard to the opinion of the European Central Bank <sup>1</sup> , <u>1. OJ C , , p. .</u>
8	Having regard to the opinion of the European Economic and Social Committee <sup>1</sup> , <u>1. OJ C , , p. .</u>	Having regard to the opinion of the European Economic and Social Committee <sup>1</sup> , <u>1. OJ C , , p. .</u>	Having regard to the opinion of the European Economic and Social Committee <sup>1</sup> , <u>1. OJ C , , p. .</u>
9	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,
10			

	Commission Proposal	EP Mandate	Council Mandate
	Whereas:	Whereas:	Whereas:
11	<p>(1) Competent authorities, their staff and members of their governance bodies should be independent of political and economic influence. Risks of conflicts of interest undermine the integrity of the Union financial system and harm the goal of an integrated banking and capital markets union. Directive 2013/36/EU should provide more detailed provisions for Member States to ensure that the competent authorities, including their staff and management, act independently and objectively. In this context, minimum requirements should be laid down to prevent conflicts of interests. The European Banking Authority (EBA) should issue guidelines addressed to competent authorities on the prevention of conflicts of interests, based on international best practices.</p>	<p>(1) Competent authorities, their staff and members of their governance bodies should be independent of political and economic influence. Risks of conflicts of interest undermine the integrity of the Union financial system and harm the goal of an integrated banking and capital markets union. Directive 2013/36/EU should provide more detailed provisions for Member States to ensure that the competent authorities, including their staff and management, act independently and objectively. In this context, minimum requirements should be laid down to prevent conflicts of interests <u>and set strict limits to "revolving doors"</u>. The European <u>Supervisory Authority (European Banking Authority)</u> (EBA) should issue guidelines addressed to competent authorities on the prevention of conflicts of interests, based on international best practices.</p>	<p>(1) Competent authorities, their staff and members of their governance bodies should be independent of political and economic influence. Risks of conflicts of interest undermine the integrity of the Union financial system and harm the goal of an integrated banking and capital markets union. Directive 2013/36/EU should provide more detailed provisions for Member States to ensure that the competent authorities, including their staff and <b>members of the competent authority's governance bodies</b><del>management</del>, act independently and objectively. In this context, minimum requirements should be laid down to prevent conflicts of interests. <del>The European Banking Authority (EBA) should issue guidelines addressed to competent authorities on the prevention of conflicts of interests, based on international best practices</del> <b>such as cooling-off periods and the prohibition from trading instruments issued by a supervised entity, applicable to staff directly involved in the supervision of an institution and members of competent authorities' governance bodies. Furthermore, where Member States consider it necessary, they should be able to adopt or retain stricter requirements for the prevention of conflicts of interests.</b></p>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
11a			<p><b>(1a) Member States should be able to provide appropriate compensation mechanisms for the benefit of members of staff and of governance bodies subject to cooling-off periods. The purpose of such mechanisms should be to compensate for the burden imposed on those individuals as a result of the colling-off period, in particular the inability for them to take up employment with entities subject to the scope of these restrictions over a certain period of time. The compensation should be proportionate to the length of the relevant cooling-off period.</b></p>
11b			<p><b>(1b) Supervisors should act with the utmost integrity in the exercise of their supervisory function. In order to increase transparency and provide high ethical standards, it is appropriate that members of the competent authority’s governance bodies be obliged to make a declaration of interests on an annual basis. This declaration should disclose information on the member’s holdings of financial instruments to reduce the risk arising from conflicts of interest that may result from those holdings and allow competent authorities to manage appropriately those risks. The declaration of interests should be without prejudice to any requirement to submit a wealth declaration</b></p>

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			<b>under applicable national rules.</b>
11c		<u><i>(1a) Amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending Directive 2014/59/EU should be driven in coherence with the logic of the banking union and lead to further harmonisation of the Single Market for banking. It should always ensure proportionality of the rules and aim at further reducing compliance and reporting costs, in particular for small and non-complex institutions, in line with the ‘Study of the Cost of Compliance with Supervisory Reporting Requirements’ that EBA published in 2021, which targeted a reduction of reporting costs of 10 to 20%.</i></u>	
12	(2) Competent authorities should have the necessary power to withdraw the authorisation granted to a credit institution where such a credit institution has been declared failing or likely to fail and, at the same time, has not met the other conditions for resolution set out by Directive 2014/59/EU of the European Parliament and of the Council <sup>1</sup> or by Regulation (EU) No 806/2014 of the European Parliament and of the Council <sup>2</sup> . In such a situation, a credit institution should be wound	(2) Competent authorities should have the necessary power to withdraw the authorisation granted to a credit institution where such a credit institution has been declared failing or likely to fail and, at the same time, has not met the other conditions for resolution set out by Directive 2014/59/EU of the European Parliament and of the Council <sup>1</sup> or by Regulation (EU) No 806/2014 of the European Parliament and of the Council <sup>2</sup> . In such a situation, a credit institution should be wound	(2) Competent authorities should have the necessary power to withdraw the authorisation granted to a credit institution where such a credit institution has been declared failing or likely to fail <del>and, at the same time, has not met the other conditions for resolution set out by Directive 2014/59/EU of the European Parliament and of the Council<sup>1</sup> or by Regulation (EU) No 806/2014 of the European Parliament and of the Council<sup>2</sup></del> , <b>there is no reasonable prospect that any alternative</b>

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	<p>up in accordance with the applicable national insolvency proceedings, or in other types of proceedings laid down for those institutions under national law, and should therefore discontinue the activities for which the authorisation had been granted.</p> <p>1. Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190).</p> <p>2. Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).</p>	<p>up in accordance with the applicable national insolvency proceedings, or in other types of proceedings laid down for those institutions under national law, and should therefore discontinue the activities for which the authorisation had been granted.</p> <p>1. Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190).</p> <p>2. Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).</p>	<p><b>private sector measures or supervisory action could prevent a failure of such institution within a reasonable timeframe and a resolution action is not necessary in the public interest.</b> In such a situation, a credit institution should be wound up in accordance with the applicable national insolvency proceedings, or in other types of proceedings laid down for those institutions under national law, <b>which would ensure its orderly exit from the market</b>, and should therefore discontinue the activities for which the authorisation had been granted. <b>However, there should be no automaticity between the failing or likely to fail determination and the withdrawal of the authorisation, as for other cases where the competent authority may withdraw the authorisation. Competent authorities should exercise their powers in a manner that is proportionate and that takes into consideration the features of the applicable national insolvency proceedings, including existing judicial procedures, while the power to withdraw the authorisation should not be used in order to prevent the opening or force the termination of insolvency proceedings such as the application of a judicial moratorium or other measures which are conditional upon an active license.</b></p> <p><del>1. Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive</del></p>

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			<p>82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173, 12.6.2014, p. 190).</p> <p>2. Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).</p>
13	<p>(3) The provision of banking services in the Union is conditional upon the credit institution's having previous authorisation and a physical presence through a legal person or a branch in its territory. Only in that way credit institutions may be subject to effective prudential regulation and supervision that are necessary to minimise the risk of failure and, when it occurs, to manage that failure in order to prevent it from spreading in a disorderly manner and leading to the collapse of the financial system (contagion risk by e.g. a bank run or a bank failure triggered by imprudent lending). The provision of banking services in the Union without such physical presence would increase the presence and prevalence in the financial markets where credit institutions are closely involved of risk segments not subject to Union's prudential regulation and supervision, that may eventually threaten the</p>	<p>(3) The provision of banking services in the Union is conditional upon the credit institution's having previous authorisation and a physical presence through a legal person or a branch in its territory. Only in that way credit institutions may be subject to effective prudential regulation and supervision that are necessary to minimise the risk of failure and, when it occurs, to manage that failure in order to prevent it from spreading in a disorderly manner and leading to the collapse of the financial system (contagion risk by e.g. a bank run or a bank failure triggered by imprudent lending). The provision of banking services in the Union without such physical presence would increase the presence and prevalence in the financial markets where credit institutions are closely involved of risk segments not subject to Union's prudential regulation and supervision, that may eventually threaten the</p>	<p><i>deleted</i></p>



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	<p>financial stability of the Union or of its individual Member States. The financial crisis of 2008-2009 is the latest historical precedent, which underlines how small market segments may become the source of significant threats to the financial stability of the Union and its Member States if left outside the scope of prudential regulation and supervision. Hence, it is necessary to lay down an explicit requirement in Union law that undertakings established in a third country and seeking to provide banking services in the Union should at least establish a branch in a Member State and that such branch be authorised in accordance with Union legislation, unless the undertaking wishes to provide banking services in the Union through a subsidiary. However, that requirement to establish a branch should not apply to cases of reverse solicitation of services, as in this case it is the customer that approaches the undertaking in the third country to solicit the provision of the service.</p>	<p>financial stability of the Union or of its individual Member States. The financial crisis of 2008-2009 is the latest historical precedent, which underlines how small market segments may become the source of significant threats to the financial stability of the Union and its Member States if left outside the scope of prudential regulation and supervision. Hence, it is necessary to lay down an explicit requirement in Union law that undertakings established in a third country and seeking to provide banking services in the Union should at least establish a branch in a Member State and that such branch be authorised in accordance with Union legislation, unless the undertaking wishes to provide banking services in the Union through a subsidiary. However, that requirement to establish a branch should not apply to cases of reverse solicitation of services, as in this case it is the customer that approaches the undertaking in the third country to solicit the provision of the service. <u><i>This requirement should also not apply to cases of interbank and interdealer transactions, with the exclusion of transactions with subsidiaries, or for services provided under Directive 2014/65/EU and the accommodating ancillary services the sole purpose of which is to provide services under that Directive. Nonetheless, the exercise of such exemption should take into account compliance with the AML/CFT rules as defined in [insert reference to AMLD].</i></u></p>	

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14	<p>(4) Supervisors of credit institutions should have all the necessary powers that enable them to perform their duties and that cover the various operations conducted by the supervised entities. To that end and to increase the level playing field, supervisors must have at their disposal all the supervisory powers enabling them to cover material operations that can be undertaken by the supervised entities. The European Central Bank and national competent authorities should therefore be notified in case a material operation, including acquisitions by supervised entities of material holdings in financial or non-financial entities, material transfers of assets and liabilities from or to a supervised entities, and mergers and divisions involving a supervised entities, undertaken by a supervised entity raises concerns over its prudential profile, or over possible money laundering and terrorist financing activities. Furthermore, the ECB and national competent authorities should have the power to intervene in such cases.</p>	<p>(4) Supervisors of credit institutions should have all the necessary powers that enable them to perform their duties and that cover the various operations conducted by the supervised entities. To that end and to increase the level playing field, supervisors must have at their disposal all the supervisory powers enabling them to cover material operations that can be undertaken by the supervised entities. The European Central Bank and national competent authorities should therefore be notified in case a material operation, including acquisitions by supervised entities of material holdings in financial or non-financial entities, material transfers of assets and liabilities from or to a supervised entities, and mergers and divisions involving a supervised entities, undertaken by a supervised entity raises concerns over its prudential profile, or over possible money laundering and terrorist financing activities. Furthermore, the ECB and national competent authorities should have the power to intervene in such cases.</p>	<p>(4) Supervisors of credit institutions should have all the necessary powers that enable them to perform their duties and that cover the various operations conducted by the supervised entities. To that end and to increase the level playing field, supervisors <del>must</del> <b>should</b> have at their disposal all the supervisory powers enabling them to cover material operations that can be undertaken by the supervised entities. <del>The European Central Bank and national</del> competent authorities should therefore be notified in case a material operation, including acquisitions by supervised entities of material holdings in financial <del>or non-financial</del> <b>sector</b> entities, material transfers of assets and liabilities from or to <del>a</del> supervised entities, and mergers and divisions involving <del>a</del> supervised entities, undertaken by a supervised entity raises concerns over its prudential profile, or over possible money laundering and terrorist financing activities. Furthermore, <del>the ECB and national</del> competent authorities should have the power to intervene in <b>cases of acquisition of material holdings and mergers and divisions such cases.</b></p>
15	<p>(5) Concerning mergers and divisions, the Directive (EU) 2017/1132 lays down harmonised rules and procedures, in particular for cross-border mergers and divisions of limited liability companies. Therefore, the</p>	<p>(5) Concerning mergers and divisions, the Directive (EU) 2017/1132 lays down harmonised rules and procedures, in particular for cross-border mergers and divisions of limited liability companies. Therefore, the</p>	<p>(5) Concerning mergers and divisions, the Directive (EU) 2017/1132 lays down harmonised rules and procedures, in particular for cross-border mergers and divisions of limited liability companies. Therefore, the</p>

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	assessment procedure by the competent authorities stipulated in this directive should be complementary to the Directive (EU) 2017/1132 and should not contradict any of its provisions. In case of those cross-border mergers and divisions which fall under the scope of Directive 2017/1132, the motivated opinion issued by the competent supervisory authority should be part of the assessment of the compliance with all relevant conditions and the proper completion of all procedures and formalities required for the pre-merger or pre-division certificate. The motivated opinion should therefore be transferred to the designated national authority responsible for issuing the pre-merger or pre-division certificate under Directive 2017/1132.	assessment procedure by the competent authorities stipulated in this directive should be complementary to the Directive (EU) 2017/1132 and should not contradict any of its provisions. In case of those cross-border mergers and divisions which fall under the scope of Directive 2017/1132, the motivated opinion issued by the competent supervisory authority should be part of the assessment of the compliance with all relevant conditions and the proper completion of all procedures and formalities required for the pre-merger or pre-division certificate. The motivated opinion should therefore be transferred to the designated national authority responsible for issuing the pre-merger or pre-division certificate under Directive <a href="#">(EU) 2017/1132</a> . <del>2017/1132.</del>	assessment procedure by the competent authorities stipulated in this directive should be complementary to the Directive (EU) 2017/1132 and should not contradict any of its provisions. In case of those cross-border mergers and divisions which fall under the scope of Directive 2017/1132, the motivated opinion issued by the competent supervisory authority should be part of the assessment of the compliance with all relevant conditions and the proper completion of all procedures and formalities required for the pre-merger or pre-division certificate. The motivated opinion should therefore be transferred to the designated national authority responsible for issuing the pre-merger or pre-division certificate under Directive 2017/1132.
16	(6) In order to ensure that competent authorities can intervene before one of these material operations is undertaken, they should be notified <i>ex ante</i> . That notification should be accompanied by information necessary for the competent authorities to assess the planned operation from a prudential and anti-money laundering and counter-terrorist financing perspective. That assessment by competent authorities should commence at the moment of the receipt of the notification including all the requested information and, in the case of the acquisition of a material holding or the material	(6) In order to ensure that competent authorities can intervene before one of these material operations is undertaken, they should be notified <i>ex ante</i> . That notification should be accompanied by information necessary for the competent authorities to assess the planned operation from a prudential and anti-money laundering and counter-terrorist financing perspective. That assessment by competent authorities should commence at the moment of the receipt of the notification including all the requested information and, in the case of the acquisition of a material holding or the material	(6) In order to ensure that competent authorities can intervene before one of these material operations is undertaken, they should be notified <i>ex antee</i> <del>ante</del> . That notification should be accompanied by information necessary for the competent authorities to assess the planned operation from a prudential and anti-money laundering and counter-terrorist financing perspective. That assessment by competent authorities should commence at the moment of the receipt of the notification including all the requested information and, in the case of the acquisition of a material holding

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	transfer of assets and liabilities, should be limited in time.	transfer of assets and liabilities, should be limited in time.	<del>or the material transfer of assets and liabilities</del> <b>in a financial sector entity</b> , should be limited in time.
17	(7) In the case of the acquisition of a qualifying holding, or the material transfer of assets or liabilities, the conclusion of the assessment could lead the competent authority to decide to oppose to the operation. In the absence of opposition from the competent authorities within a given period, the operation should be deemed approved.	(7) In the case of the acquisition of a qualifying holding, or the material transfer of assets or liabilities, the conclusion of the assessment could lead the competent authority to decide to oppose to the operation. In the absence of opposition from the competent authorities within a given period, the operation should be deemed approved.	(7) In the case of the acquisition of a <del>qualifying</del> <b>material</b> holding, <del>or the material transfer of assets or liabilities in a financial sector entity</del> , the conclusion of the assessment could lead the competent authority to decide to oppose to the operation. In the absence of opposition from the competent <del>authorities</del> <b>authority</b> within a given period, the operation should be deemed approved.
18	(8) In order to ensure proportionality and avoid undue administrative burden, those additional powers of competent authorities should be applicable only to operations deemed material. Only operations consisting in mergers or divisions should be treated automatically as material operations, as the newly created entity can be expected to present a significantly different prudential profile from the entities initially involved in the merger or division. Also, mergers or division should not be concluded by entities undertaking them before a prior positive opinion is received from the competent authorities. Other operations (including acquisition of holding and transfers of assets and liabilities), when considered	(8) In order to ensure proportionality and avoid undue administrative burden, those additional powers of competent authorities should be applicable only to operations deemed material. Only operations consisting in mergers or divisions should be treated automatically as material operations, as the newly created entity can be expected to present a significantly different prudential profile from the entities initially involved in the merger or division. Also, mergers or division should not be concluded by entities undertaking them before a prior positive opinion is received from the competent authorities. Other operations (including acquisition of holding and transfers of assets and liabilities), when considered	(8) In order to ensure proportionality and avoid undue administrative burden, those additional powers of competent authorities should be applicable only to operations deemed material. Only operations consisting in mergers or divisions should be treated automatically as material operations, as the newly created entity can be expected to present a significantly different prudential profile from the entities initially involved in the merger or division. Also, mergers or division should not be concluded by entities undertaking them before a prior positive opinion is received from the competent authorities. <del>Other operations (including acquisition of holding and transfers of assets and liabilities)</del> <b>Acquisitions of</b>

	Commission Proposal	EP Mandate	Council Mandate
	material, should be assessed by the competent authorities based on a tacit approval procedure.	material, should be assessed by the competent authorities based on a tacit approval procedure.	<b>holdings in a financial sector entity</b> , when considered material, should be assessed by the competent <del>authorities</del> <b>authority</b> based on a tacit approval procedure.
19	(9) In some situations (for instance when entities established in various Member States are involved), operations might require multiple notifications and assessments from different competent authorities, requiring an efficient cooperation among those authorities. It is therefore necessary to precise cooperation obligations, in particular early cross notifications, smooth exchange of information and coordination in the assessment.	(9) In some situations (for instance when entities established in various Member States are involved), operations might require multiple notifications and assessments from different competent authorities, <u>including from AML/CFT authorities</u> , requiring an efficient cooperation among those authorities. It is therefore necessary to precise cooperation obligations, in particular early cross notifications, smooth exchange of information and coordination in the assessment.	(9) In some situations (for instance when entities established in various Member States are involved), operations might require multiple notifications and assessments from different competent authorities, requiring an efficient cooperation among those authorities. It is therefore necessary to precise cooperation obligations, in particular early cross notifications, smooth exchange of information and coordination in the assessment.
20	(10) It is necessary to align provisions related to the acquisition of a qualifying holding in a credit institution with provisions on the acquisition of a qualifying holding by an institution, in case both assessments have to be undertaken for the same operation. Indeed, without proper articulation these provisions could lead to inconsistencies in the assessment undertaken by competent authorities, and ultimately the decisions taken by them. It is therefore necessary to provide for similar additional time provided to competent authorities to acknowledge receipt of the	(10) It is necessary to align provisions related to the acquisition of a qualifying holding in a credit institution with provisions on the acquisition of a qualifying holding by an institution, in case both assessments have to be undertaken for the same operation. Indeed, without proper articulation these provisions could lead to inconsistencies in the assessment undertaken by competent authorities, and ultimately the decisions taken by them. It is therefore necessary to provide for similar additional time provided to competent authorities to acknowledge receipt of the	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	notification when the operation is considered complex).	notification when the operation is considered complex).	
21	(11) EBA should be mandated to develop regulatory technical standards and implementing technical standards to ensure an appropriate framing of the use of those additional supervisory powers. Those regulatory technical standards and implementing technical standards should, in particular, specify the information to be received by the competent authorities, the elements to be assessed, and cooperation when more than one competent authorities are involved. Those various elements are crucial to ensure that a sufficiently harmonised supervisory methodology allows provisions on the additional powers to be implemented efficiently, with the minimum possible additional administrative burden.	(11) EBA should be mandated to develop regulatory technical standards and implementing technical standards to ensure an appropriate framing of the use of those additional supervisory powers. Those regulatory technical standards and implementing technical standards should, in particular, specify the information to be received by the competent authorities, the elements to be assessed, and cooperation when more than one competent authorities are involved. Those various elements are crucial to ensure that a sufficiently harmonised supervisory methodology allows provisions on the additional powers to be implemented efficiently, with the minimum possible additional administrative burden.	(11) EBA should be mandated to develop regulatory technical standards <del>and</del> , implementing technical standards <b>and guidelines</b> to ensure an appropriate framing of the use of those additional supervisory powers. Those regulatory technical standards and implementing technical standards should, in particular, specify the information to be received by the competent authorities, the elements to be assessed, and cooperation when more than one competent authorities are involved. Those various elements are crucial to ensure that a sufficiently harmonised supervisory methodology allows provisions on the additional powers to be implemented efficiently, with the minimum possible additional administrative burden.
22	(12) It is crucial that credit institutions, financial holding companies and mixed financial holding companies comply with the prudential requirements to ensure their safety and soundness and preserve the stability of the financial system, both at the level of the Union as a whole and in each Member State. Therefore, the ECB and national competent authorities should have the power to take	(12) It is crucial that credit institutions, financial holding companies and mixed financial holding companies comply with the prudential requirements to ensure their safety and soundness and preserve the stability of the financial system, both at the level of the Union as a whole and in each Member State. Therefore, the ECB and national competent authorities should have the power to take	(12) It is crucial that credit institutions, financial holding companies and mixed financial holding companies comply with the prudential requirements to ensure their safety and soundness and preserve the stability of the financial system, both at the level of the Union as a whole and in each Member State. Therefore, the ECB and national competent authorities should have the power to take

	Commission Proposal	EP Mandate	Council Mandate
	timely and decisive measures where those credit institutions, financial holding companies and mixed financial holding companies and their effective managers fail to comply with the prudential requirements or supervisory decisions.	timely and decisive measures where those credit institutions, financial holding companies and mixed financial holding companies and their effective managers fail to comply with the prudential requirements or supervisory decisions.	timely and decisive measures where those credit institutions, financial holding companies and mixed financial holding companies and their <del>effective</del> managers fail to comply with the prudential requirements or supervisory decisions.
22a		<u><i>(12a) Competent authorities responsible for the implementation of this Directive and of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions are expected to ensure an appropriate balance of prudential requirements within banking groups in order to guarantee that the group and each of its subsidiaries are resilient and capable of supporting their customers, also in distressed situations; and to take into account the efficiency of group risk management while ensuring that sufficient safeguards are in place to ensure financial stability in all Member States. To this end, competent authorities and resolution authorities require institutions to maintain an appropriate level of capital and liquidity, and rely on recovery and resolution plans to make sure that losses can be properly distributed across the group and liquidity can flow where needed at times of stress. This should be complemented with additional powers under Regulation (EU) No 806/2014 for competent authorities to be able</i></u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u><i>as part of their early intervention measures to require a parent institution to execute group recovery plans when only its subsidiaries meet recovery indicators, in the case that the banking group has also entered into a group financial support agreement. These additional powers should be introduced on the occasion of the forthcoming review of the EU crisis management framework.</i></u>	
23	(13) To ensure a level playing field in the area of sanctioning powers, Member States should be required to provide for effective, proportionate and dissuasive administrative penalties, periodic penalty payments and other administrative measures in relation to breaches of national provisions transposing this Directive and breaches of Regulation (EU) No 575/2013 of the European Parliament and of the Council <sup>1</sup> . In particular, Member States can impose administrative penalties where the relevant breach is also subject to national criminal law. Those administrative penalties, periodic penalty payments and other administrative measures should meet certain minimum requirements, including the minimum powers that should be vested on competent authorities to be able to impose them, the criteria that competent authorities should take into account in their application, publication requirements or the levels of administrative penalties and periodic penalty	(13) To ensure a level playing field in the area of sanctioning powers, Member States should be required to provide for effective, proportionate and dissuasive administrative penalties, periodic penalty payments and other administrative measures in relation to breaches of national provisions transposing this Directive and breaches of Regulation (EU) No 575/2013 of the European Parliament and of the Council <sup>1</sup> . In particular, Member States can impose administrative penalties where the relevant breach is also subject to national criminal law. Those administrative penalties, periodic penalty payments and other administrative measures should meet certain minimum requirements, including the minimum powers that should be vested on competent authorities to be able to impose them, the criteria that competent authorities should take into account in their application, publication requirements or the levels of administrative penalties and periodic penalty	(13) To ensure a level playing field in the area of sanctioning powers, Member States should be required to provide for effective, proportionate and dissuasive administrative penalties,- periodic penalty payments and other administrative measures- in relation to breaches of national provisions transposing this Directive <del>and</del> <b>2013/36/EU</b> , breaches of Regulation (EU) <del>No 575/2013 of the European Parliament and of the Council</del> <b>No 575/20135</b> <b>or decisions issued by a competent authority based on those legal acts.</b> In particular, Member States <del>should be able to</del> <b>should be able to</b> impose administrative penalties where the relevant breach is also subject to national criminal law. Those administrative penalties,- periodic penalty payments and other administrative measures- should meet certain minimum requirements, including the minimum powers that should be vested on competent authorities to be able to impose them, the criteria that competent authorities should take into account



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	<p>payments. Member States should lay down specific rules and effective mechanisms regarding the application of periodic penalty payments.</p> <p>1. 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, p. 1).</p>	<p>payments. Member States should lay down specific rules and effective mechanisms regarding the application of periodic penalty payments.</p> <p>1. 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, p. 1).</p>	<p>in their application, publication requirements or the levels of administrative penalties and periodic penalty payments. Member States should lay down specific rules and effective mechanisms regarding the application of periodic penalty payments.</p> <p><del>1. 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, p. 1).</del></p>
24	<p>(14) Administrative pecuniary penalties should have a deterrent effect in order to prevent the natural or legal person in breach of national provisions transposing Directive 2013/36/EU or in breach of Regulation (EU) No 575/2013 from engaging in the same or similar conduct in the future. Member States should be required to provide for administrative penalties, which are effective, proportionate and dissuasive. Furthermore, competent authorities should have regard to any previous criminal penalties that may have been imposed on the same natural or legal person responsible for the same breach when determining the type of administrative penalties or other administrative measures and the level of administrative pecuniary penalties. This is to ensure that the severity of all the penalties and other administrative measures imposed for punitive purposes in case of accumulation of</p>	<p>(14) Administrative pecuniary penalties should have a deterrent effect in order to prevent the natural or legal person in breach of national provisions transposing Directive 2013/36/EU or in breach of Regulation (EU) No 575/2013 from engaging in the same or similar conduct in the future. Member States should be required to provide for administrative penalties, which are effective, proportionate and dissuasive. Furthermore, competent authorities should have regard to any previous criminal penalties that may have been imposed on the same natural or legal person responsible for the same breach when determining the type of administrative penalties or other administrative measures and the level of administrative pecuniary penalties. This is to ensure that the severity of all the penalties and other administrative measures imposed for punitive purposes in case of accumulation of</p>	<p>(14) Administrative pecuniary penalties should have a deterrent effect in order to prevent the natural or legal person in breach of national provisions transposing Directive 2013/36/EU or in breach of Regulation (EU) No 575/2013 from engaging in the same or similar conduct in the future. Member States should be required to provide for administrative penalties, which are effective, proportionate and dissuasive. Furthermore, competent authorities should have regard to any previous criminal penalties that may have been imposed on the same natural or legal person responsible for the same breach when determining the type of administrative penalties or other administrative measures and the level of administrative pecuniary penalties. This is to ensure that the severity of all the penalties and other administrative measures imposed for punitive purposes in case of accumulation of</p>

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	<p>administrative and criminal proceedings is limited to what is necessary in the view of the seriousness of the breach concerned. To that end, it is essential to enhance the cooperation between competent authorities and judicial authorities in the case of accumulation of administrative and criminal proceedings against the same persons responsible for the same breach. Member States should lay down specific rules and mechanisms to facilitate such cooperation.</p>	<p>administrative and criminal proceedings is limited to what is necessary in the view of the seriousness of the breach concerned. To that end, it is essential to enhance the cooperation between competent authorities and judicial authorities in the case of accumulation of administrative and criminal proceedings against the same persons responsible for the same breach. Member States should lay down specific rules and mechanisms to facilitate such cooperation.</p>	<p>administrative and criminal proceedings is limited to what is necessary in the view of the seriousness of the breach concerned. <del>To that end, it is essential to enhance the cooperation between competent authorities and judicial authorities in the case of accumulation of administrative and criminal proceedings against the same persons responsible for the same breach. Member States should lay down specific rules and mechanisms to facilitate such cooperation.</del></p>
25	<p>(15) Competent authorities should be able to impose administrative penalties on the same natural or legal person responsible for the same acts or omissions. However, such accumulation of proceedings and penalties on the same breach should pursue different objectives of general interest. Member States should lay down rules to provide for an appropriate coordination between administrative and criminal proceedings. Such rules should limit the imposition of accumulative penalties in relation to the same breach on the natural or legal person concerned to the strictly necessary in order to meet those different objectives. Furthermore, Member States should lay down rules to ensure that the severity of all the administrative and criminal penalties and other measures imposed in cases of accumulation of proceedings are limited to what is necessary in view of the seriousness of the breach</p>	<p>(15) Competent authorities should be able to impose administrative penalties on the same natural or legal person responsible for the same acts or omissions. However, such accumulation of proceedings and penalties on the same breach should pursue different objectives of general interest. Member States should lay down rules to provide for an appropriate coordination between administrative and criminal proceedings. Such rules should limit the imposition of accumulative penalties in relation to the same breach on the natural or legal person concerned to the strictly necessary in order to meet those different objectives. Furthermore, Member States should lay down rules to ensure that the severity of all the administrative and criminal penalties and other measures imposed in cases of accumulation of proceedings are limited to what is necessary in view of the seriousness of the breach</p>	<p><i>deleted</i></p>

	Commission Proposal	EP Mandate	Council Mandate
	concerned. Member States should also ensure that such duplication of proceedings and subsequent penalties comply with the ne bis in idem principle and that the rights of the natural or legal person concerned are duly protected.	concerned. Member States should also ensure that such duplication of proceedings and subsequent penalties comply with the ne bis in idem principle and that the rights of the natural or legal person concerned are duly protected.	
26	(16) Administrative pecuniary penalties on legal persons should be applied consistently, in particular as regards the determination of the maximum amount of administrative penalties, which should take into account the total annual net turnover of the relevant undertaking. However, the current definition of the total annual net turnover in Directive 2013/36/EU is neither exhaustive enough nor sufficiently clear and complete to ensure a level playing field in the application of administrative pecuniary penalties. Therefore, it is necessary to clarify several elements of the current definition of total annual net turnover in order to avoid an inconsistent interpretation.	(16) Administrative pecuniary penalties on legal persons should be applied consistently, in particular as regards the determination of the maximum amount of administrative penalties, which should take into account the total annual net turnover of the relevant undertaking. However, the current definition of the total annual net turnover in Directive 2013/36/EU is neither exhaustive enough nor sufficiently clear and complete to ensure a level playing field in the application of administrative pecuniary penalties. Therefore, it is necessary to clarify several elements of the current definition of total annual net turnover in order to avoid an inconsistent interpretation.	(16) Administrative pecuniary penalties on legal persons should be applied consistently, in particular as regards the determination of the maximum amount of administrative penalties, which should take into account the- total annual net turnover of the relevant <del>undertaking.</del> <del>However, the current definition of</del> <del>of undertaking.</del> <b>To ensure a consistent calculation throughout the Union,</b> the total annual net turnover <del>in Directive 2013/36/EU is neither exhaustive enough nor sufficiently clear and complete to ensure a level playing field in the application of administrative pecuniary penalties. Therefore, it is necessary to clarify several elements</del> <b>should be determined by reference to specific categories from the FINREP Templates in Annex III, IV and V of the current definition of total annual net turnover in order to avoid an inconsistent interpretation</b> <b>Commission Implementing Regulation (EU) 2021/451.</b>
27	(17) In addition to administrative penalties, competent authorities should be empowered to	(17) In addition to administrative penalties, competent authorities should be empowered to	(17) In addition to administrative penalties, competent authorities should be empowered to

	Commission Proposal	EP Mandate	Council Mandate
	<p>impose periodic penalty payments on credit institutions, financial holding companies, mixed financial holding companies and their effective managers for failure to comply with their obligations under Directive 2013/36/EU, Regulation (EU) No 575/2013 or a decision issued by a competent authority. Those enforcement measures should be imposed where a breach of a requirement or supervisory decision of the competent authority is continuing. Competent authorities should be able to impose those enforcement measures without having to address a prior request, order or warning to the party in breach. Since the purpose of the periodic penalty payments is to compel natural or legal persons to terminate an ongoing breach, the application of periodic penalty payments should not prevent competent authorities from imposing subsequent administrative penalties for the same breach.</p>	<p>impose periodic penalty payments on credit institutions, financial holding companies, mixed financial holding companies and their effective managers for failure to comply with their obligations under Directive 2013/36/EU, Regulation (EU) No 575/2013 or a decision issued by a competent authority. Those enforcement measures should be imposed where a breach of a requirement or supervisory decision of the competent authority is continuing. Competent authorities should be able to impose those enforcement measures without having to address a prior request, order or warning to the party in breach. Since the purpose of the periodic penalty payments is to compel natural or legal persons to terminate an ongoing breach, the application of periodic penalty payments should not prevent competent authorities from imposing subsequent administrative penalties for the same breach.</p>	<p>impose periodic penalty payments on credit institutions, financial holding companies, mixed financial holding companies and <b>those members of the management body in its management function who are identified as responsible in accordance with national law for the breach of obligation</b> <del>their effective managers for failure to comply with their obligations under</del> <b>national provisions transposing</b> Directive 2013/36/EU, <b>their obligations under</b> Regulation (EU) No 575/2013 or a decision issued by a competent authority <b>based on those acts</b>. Those enforcement measures should be imposed where a breach <b>is continuing</b>. <b>Without prejudice to the due-process rights of a requirement or supervisory decision of the competent authority is continuing, affected persons under applicable law, including their right to be heard</b>, competent authorities should be able to impose those enforcement measures without having to address a prior request, order or warning to the party in breach <b>requiring a return to compliance</b>. Since the purpose of the periodic penalty payments is to compel natural or legal persons to terminate an ongoing breach, the application of periodic penalty payments should not prevent competent authorities from imposing subsequent administrative penalties for the same breach. <b>Periodic penalty payments may be imposed on a given date and start applying at a later date.</b></p>

	Commission Proposal	EP Mandate	Council Mandate
28	(18) It is necessary to lay down administrative penalties, periodic penalty payments and other administrative measures in order to ensure the greatest possible scope for action following a breach and to help prevent further breaches, irrespective of their qualification as an administrative penalty or other administrative measure under national law. Member States should therefore be able to provide for additional penalties and higher level of administrative pecuniary penalties.	(18) It is necessary to lay down administrative penalties, periodic penalty payments and other administrative measures in order to ensure the greatest possible scope for action following a breach and to help prevent further breaches, irrespective of their qualification as an administrative penalty or other administrative measure under national law. Member States should therefore be able to provide for additional penalties and higher level of administrative pecuniary penalties.	(18) It is necessary to lay down administrative penalties,- periodic penalty payments and other administrative measures- in order to ensure the greatest possible scope for action following a breach and to help prevent further breaches, irrespective of their qualification as an administrative penalty or other administrative measure under national law. Member States should therefore be able to provide for additional penalties and higher level of administrative pecuniary penalties <b>and periodic penalty payments. Unless otherwise provided for by Member States, periodic penalty payments should be calculated on a daily basis.</b>
29	(19) Competent authorities should impose periodic penalty payments that are proportionate and effective. Accordingly, the competent authority should take into account the potential impact of the periodic penalty payment on the financial situation of the legal or natural person in breach, and seek to avoid that the penalty would cause the legal or natural person in breach to become insolvent, lead it to serious financial distress or represent a disproportionate percentage of its total annual turnover.	(19) Competent authorities should impose periodic penalty payments that are proportionate and effective. Accordingly, the competent authority should take into account the potential impact of the periodic penalty payment on the financial situation of the legal or natural person in breach, and seek to avoid that the penalty would cause the legal or natural person in breach to become insolvent, lead it to serious financial distress or represent a disproportionate percentage of its total annual turnover.	(19) Competent authorities should impose periodic penalty payments that are proportionate and effective. Accordingly, the competent authority should take into account the potential impact of the periodic penalty payment on the financial situation of the legal or natural person in breach, and seek to avoid that the penalty would cause the legal or natural person in breach to become insolvent, lead it to serious financial distress or represent a disproportionate percentage of its total annual <b>net</b> turnover.
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	<p>(20) Where the legal system of the Member State does not allow the administrative penalties provided for in this Directive, the rules on administrative penalties may be applied in such a manner that the penalty is initiated by the competent authority and imposed by judicial authorities. Therefore, it is necessary that those Member States ensure that the application of the rules and penalties has an effect equivalent to the administrative penalties imposed by the competent authorities. When imposing such penalties, judicial authorities should take into account the recommendation by the competent authority initiating the penalty. The penalties imposed should be effective, proportionate and dissuasive.</p>	<p>(20) <u>By way of derogation, restricted only to those limited situations</u> where the legal system of the Member State does not allow the administrative penalties provided for in this Directive, <u>it should be possible to exceptionally apply</u> the rules on administrative penalties <del>may be applied</del> in such a manner that the penalty is initiated by the competent authority and imposed by judicial authorities. Therefore, it is necessary that those Member States <u>still</u> ensure that the application of the rules and penalties has an effect equivalent to the administrative penalties imposed by the competent authorities. When imposing such penalties, judicial authorities should take into account the recommendation by the competent authority initiating the penalty. The penalties imposed should be effective, proportionate and dissuasive.</p>	<p>(20) Where the legal system of the Member State does not allow the administrative penalties provided for in this Directive, the rules on administrative penalties may be applied in such a manner that the penalty is initiated by the competent authority and imposed by judicial authorities. Therefore, it is necessary that those Member States ensure that the application of the rules and penalties has an effect equivalent to the administrative penalties imposed by the competent authorities. When imposing such penalties, judicial authorities should take into account the recommendation by the competent authority initiating the penalty. The penalties imposed should be effective, proportionate and dissuasive.</p>
31	<p>(21) In order to provide for appropriate sanctions for breaches of national provisions transposing Directive 2013/36/EU and Regulation (EU) No 575/2013, the list of breaches subject to administrative penalties, periodic penalty payments and other administrative measures should be supplemented. Therefore, the list of breaches under Article 67 of Directive 2013/36/EU should be amended.</p>	<p>(21) In order to provide for appropriate sanctions for breaches of national provisions transposing Directive 2013/36/EU and Regulation (EU) No 575/2013, the list of breaches subject to administrative penalties, periodic penalty payments and other administrative measures should be supplemented. Therefore, the list of breaches under Article 67 of Directive 2013/36/EU should be amended.</p>	<p>(21) In order to provide for appropriate sanctions for breaches of national provisions transposing Directive 2013/36/EU and Regulation (EU) No 575/2013, the list of breaches subject to administrative penalties, periodic penalty payments and other administrative measures should be supplemented. Therefore, the list of breaches under Article 67 of Directive 2013/36/EU should be amended.</p>

	Commission Proposal	EP Mandate	Council Mandate
32	<p>(22) The regulation of branches established by undertakings in a third country to provide banking services in a Member State is subject to national law and only harmonised to a very limited extent by Directive 2013/36/EU. While third country branches have a significant presence in Union banking markets, they are currently subject only to very high level information requirements, but not to any Union-level prudential standards or supervisory cooperation arrangements. The complete absence of a common prudential framework leads to third country branches' being subject to disparate national requirements of varying level of prudence and reach. Furthermore, competent authorities lack comprehensive information and the necessary supervisory tools to properly monitor the specific risks created by third country groups operating in one or various Member States through both branches and subsidiaries. There are currently no integrated supervisory arrangements in relation to them and the competent authority responsible for the supervision of each branch of a third country group is not obliged to exchanging information with the competent authorities supervising the other branches and subsidiaries of the same group. Such fragmented regulatory landscape creates risks to the financial stability and market integrity of the Union which should be properly addressed through a harmonised framework on third country branches. Such a framework should</p>	<p>(22) The regulation of branches established by undertakings in a third country to provide banking services in a Member State is subject to national law and only harmonised to a very limited extent by Directive 2013/36/EU. While third country branches have a significant <u>and increasing</u> presence in Union banking markets, they are currently subject only to very high level information requirements, but not to any Union-level prudential standards or supervisory cooperation arrangements. The complete absence of a common prudential framework leads to third country branches' being subject to disparate national requirements of varying level of prudence and reach. Furthermore, competent authorities lack comprehensive information and the necessary supervisory tools to properly monitor the specific risks created by third country groups operating in one or various Member States through both branches and subsidiaries. There are currently no integrated supervisory arrangements in relation to them and the competent authority responsible for the supervision of each branch of a third country group is not obliged to exchanging information with the competent authorities supervising the other branches and subsidiaries of the same group. Such fragmented regulatory landscape creates risks to the financial stability and market integrity of the Union which should be properly addressed through a harmonised framework on third country branches. Such a framework should</p>	<p>(22) The regulation of branches established by undertakings in a third country to provide banking services in a Member State is subject to national law and only harmonised to a very limited extent by Directive 2013/36/EU. While third country branches have a significant presence in Union banking markets, they are currently subject only to very high level information requirements, but not to any Union-level prudential standards or supervisory cooperation arrangements. The complete absence of a common prudential framework leads to third country branches' being subject to disparate national requirements of varying level of prudence and reach. Furthermore, competent authorities lack comprehensive information and the necessary supervisory tools to properly monitor the specific risks created by third country groups operating in one or various Member States through both branches and subsidiaries. There are currently no integrated supervisory arrangements in relation to them and the competent authority responsible for the supervision of each branch of a third country group is not obliged to <del>exchanging</del> <b>exchange</b> information with the competent authorities supervising the other branches and subsidiaries of the same group. Such fragmented regulatory landscape creates risks to the financial stability and market integrity of the Union which should be properly addressed through a harmonised framework on third country branches. Such a framework should</p>

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	comprise minimum common requirements on authorisation, prudential standards, internal governance, supervision and reporting. This set of requirements should build on those that Member States already apply to third countries branches in their territories and should take into account similar or equivalent requirements that third countries apply to foreign branches, with the aim of ensuring consistency between Member States and aligning the Union third country branches framework with the prevailing international practices in this field.	comprise minimum common requirements on authorisation, prudential standards, internal governance, supervision and reporting. This set of requirements should build on those that Member States already apply to third countries branches in their territories and should take into account similar or equivalent requirements that third countries apply to foreign branches, with the aim of ensuring consistency between Member States and aligning the Union third country branches framework with the prevailing international practices in this field. <u><i>New third country branches should therefore not be allowed to operate within the Union until a Memorandum of Understanding has been concluded between the EBA and the third country competent authorities.</i></u>	should comprise minimum common requirements on authorisation, prudential standards, internal governance, supervision and reporting. This set of requirements should build on those that Member States already apply to third countries branches in their territories and should take into account similar or equivalent requirements that third countries apply to foreign branches, with the aim of ensuring consistency between Member States and aligning the Union third country branches framework with the prevailing international practices in this field.
33	(23) For reasons of proportionality, the requirements on third country branches should be catered relative to the risk that they pose to the financial stability and market integrity of the Union and the Member States. Third country branches should, therefore, be categorised as either class 1, where they are deemed riskier, or, otherwise, as class 2, where they are small and non-complex and do not pose a significant financial stability risk (consistently with the definition of “small and non-complex institution” in Regulation (EU) No 575/2013). Accordingly, third country branches with booked assets in the Member	(23) For reasons of proportionality, the requirements on third country branches should be catered relative to the risk that they pose to the financial stability and market integrity of the Union and the Member States. Third country branches should, therefore, be categorised as either class 1, where they are deemed riskier, or, otherwise, as class 2, where they are small and non-complex and do not pose a significant financial stability risk (consistently with the definition of “small and non-complex institution” in Regulation (EU) No 575/2013). Accordingly, third country branches with booked assets in the Member	(23) For reasons of proportionality, the <b>minimum</b> requirements on third country branches should be catered relative to the risk that they pose to the financial stability and market integrity of the Union and the Member States. Third country branches should, therefore, be categorised as either class 1, where they are deemed riskier, or, otherwise, as class 2, where they are small and non-complex and do not pose a significant financial stability risk (consistently with the definition of "small and non-complex institution" in Regulation (EU) No 575/2013). Accordingly, third country branches with booked assets in the Member



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	<p>State in an amount equal to or in excess of EUR 5 000 000 000 should be regarded as posing such a greater risk due to their larger size and complexity, because their failure could lead to a significant disruption of the Member State's market for banking services or of its banking system. Third country branches authorised to accept retail deposits should also be regarded similarly as riskier regardless of their size, insofar as their failure would affect highly vulnerable depositors and could lead to a loss of confidence in the safety and soundness of the Member State's banking system to protect citizens' savings. Both of those types of third country branches should, therefore, be categorised as class 1.</p>	<p>State in an amount equal to or in excess of EUR 5 000 000 000 should be regarded as posing such a greater risk due to their larger size and complexity, because their failure could lead to a significant disruption of the Member State's market for banking services or of its banking system. Third country branches authorised to accept retail deposits should also be regarded similarly as riskier regardless of their size, insofar as their failure would affect highly vulnerable depositors and could lead to a loss of confidence in the safety and soundness of the Member State's banking system to protect citizens' savings. Both of those types of third country branches should, therefore, be categorised as class 1.</p>	<p>State in an amount equal to or in excess of EUR 5 000 000 000 should be regarded as posing such a greater risk due to their larger size and complexity, because their failure could lead to a significant disruption of the Member State's market for banking services or of its banking system. Third country branches authorised to accept retail deposits- should also be regarded similarly as riskier regardless of their size <b>where the amount of such retail deposits exceeds a certain threshold</b>, insofar as their failure would affect highly vulnerable depositors and could lead to a loss of confidence in the safety and soundness of the Member State's banking system to protect citizens' savings. Both of those types of third country branches should, therefore, be categorised as class 1.</p>
34	<p>(24) Third country branches should also be classified as class 1 where the undertaking in the third country that is their head office (the "head undertaking") is subject to regulation, oversight and implementation of such regulation that are not determined to be at least equivalent to Directive 2013/36/EU and Regulation (EU) No 575/2013 or where the relevant third country is listed as a high-risk third country that has strategic deficiencies in its regime on anti-money laundering and counter terrorist financing in accordance with Directive (EU) 2015/849 of the European</p>	<p>(24) Third country branches should also be classified as class 1 where the undertaking in the third country that is their head office (the "head undertaking") is subject to regulation, oversight and implementation of such regulation that are not determined to be at least equivalent to Directive 2013/36/EU and Regulation (EU) No 575/2013 or where the relevant third country is listed as a high-risk third country that has strategic deficiencies in its regime on anti-money laundering and counter terrorist financing in accordance with Directive (EU) 2015/849 of the European</p>	<p>(24) Third country branches should also be classified as class 1 where the undertaking in the third country that is their head office (the "head undertaking") is subject to regulation, oversight and implementation of such regulation that are not determined to be at least equivalent to Directive 2013/36/EU and Regulation (EU) No 575/2013 or where the relevant third country is listed as a high-risk third country that has strategic deficiencies in its regime on anti-money laundering and counter terrorist financing in accordance with Directive (EU) 2015/849 <del>of the European</del></p>

	Commission Proposal	EP Mandate	Council Mandate
	<p>Parliament and of the Council<sup>1</sup>. Those third country branches pose a significant risk to the financial stability of the Union and of the Member State of establishment because the banking regulatory or anti-money laundering frameworks that apply to their head undertaking fail to adequately capture or permit a proper monitoring of the specific risks that arise from the activities conducted by the branch in the Member State or of the risks to counterparties in the Member State that arise from the third country group. For the purposes of determining the equivalence of the third country's banking prudential and supervisory standards to the Union's standards, the Commission should be able to instruct EBA to conduct an assessment in accordance with Article 33 of Regulation (EU) No 575/2013. EBA should ensure that the assessment is conducted in a rigorous and transparent manner and in accordance with a sound methodology. Furthermore, EBA should also consult and cooperate closely with the third countries' supervisory authorities and government departments in charge of banking regulation and, where appropriate, private sector parties, endeavouring to treat those parties fairly and to give them the opportunity to submit documentation and make representations within reasonable timeframes. Furthermore, EBA should ensure that the report issued in accordance with Article 33 of Regulation (EU) No 575/2013 is adequately reasoned, sets out a detailed description of the assessed matters and</p>	<p>Parliament and of the Council<sup>1</sup>. Those third country branches pose a significant risk to the financial stability of the Union and of the Member State of establishment because the banking regulatory or anti-money laundering frameworks that apply to their head undertaking fail to adequately capture or permit a proper monitoring of the specific risks that arise from the activities conducted by the branch in the Member State or of the risks to counterparties in the Member State that arise from the third country group. For the purposes of determining the equivalence of the third country's banking prudential and supervisory standards to the Union's standards, the Commission should be able to instruct EBA to conduct an assessment in accordance with Article 33 of Regulation (EU) No 575/2013. EBA should ensure that the assessment is conducted in a rigorous and transparent manner and in accordance with a sound methodology. Furthermore, EBA should also consult and cooperate closely with the third countries' supervisory authorities and government departments in charge of banking regulation and, where appropriate, private sector parties, endeavouring to treat those parties fairly and to give them the opportunity to submit documentation and make representations within reasonable timeframes. Furthermore, EBA should ensure that the report issued in accordance with Article 33 of Regulation (EU) No 575/2013 is adequately reasoned, sets out a detailed description of the assessed matters and</p>	<p><del>Parliament and of the Council<sup>1</sup></del>. Those third country branches pose a significant risk to the financial stability of the Union and of the Member State of establishment because the banking regulatory or anti-money laundering frameworks that apply to their head undertaking fail to adequately capture or permit a proper monitoring of the specific risks that arise from the activities conducted by the branch in the Member State or of the risks to counterparties in the Member State that arise from the third country group. For the purposes of determining the equivalence of the third country's banking prudential and supervisory standards to the Union's standards, the Commission should be able to instruct EBA to conduct an assessment in accordance with Article 33 of Regulation (EU) <del>No 575/2013</del> <b>No 1093/2010</b>. EBA should ensure that the assessment is conducted in a rigorous and transparent manner and in accordance with a sound methodology. Furthermore, EBA should also consult and cooperate closely with the third countries' supervisory authorities and government departments in charge of banking regulation and, where appropriate, private sector parties, endeavouring to treat those parties fairly and to give them the opportunity to submit documentation and make representations within reasonable timeframes. Furthermore, EBA should ensure that the report issued in accordance with Article 33 of Regulation (EU) <del>No 575/2013</del> <b>No 1093/2010</b> is adequately reasoned, sets out a detailed</p>

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	<p>is delivered within a reasonable timeframe.</p> <p>1. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).</p>	<p>is delivered within a reasonable timeframe.</p> <p>1. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).</p>	<p>description of the assessed matters and is delivered within a reasonable timeframe.</p> <p>1. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).</p>
35	<p>(25) Competent authorities should have an explicit power to require on a case-by-case basis that third country branches apply for authorisation in accordance with Title III, Chapter 1 of Directive 2013/36/EU, at a minimum where those branches engage in activities with counterparts in other Member States in contravention of the internal market rules or where they pose a significant risk to the financial stability of the Union or of the Member State where they are established. Moreover, competent authorities should be required to periodically assess whether third country branches holding assets on their books in an amount equal to or higher than EUR 30 000 000 000 have systemic importance. All the third country branches that belong to the same third country group established in one Member State or across the Union should be jointly subject to such periodic assessment. That assessment should examine, in accordance with</p>	<p>(25) Competent authorities should have an explicit power to require on a case-by-case basis that third country branches apply for authorisation in accordance with Title III, Chapter 1 of Directive 2013/36/EU, at a minimum where those branches engage in activities with counterparts in other Member States in contravention of the internal market rules or where they pose a significant risk to the financial stability of the Union or of the Member State where they are established. Moreover, competent authorities should be required to periodically assess whether third country branches holding assets on their books in an amount equal to or higher than EUR <del>30 000 000 000</del> <u>40 000 000 000</u> have systemic importance. All the third country branches that belong to the same third country group established in one Member State or across the Union should be jointly subject to such periodic assessment. That assessment should</p>	<p>(25) Competent authorities should have an explicit power to require <del>on a case-by-case basis</del> that third country branches <del>apply for authorisation in accordance with Title III, Chapter 1 of Directive 2013/36/EU, at a minimum where those branches engage in activities with counterparts in other Member States in contravention of the internal market rules or where they pose a significant risk to the financial stability of the Union or of the Member State where they are established.</del> Moreover, competent authorities should be required to periodically assess whether third country branches holding assets on their books in an amount equal to or higher than EUR 30 000 000 000 have systemic importance. All the third country branches that belong to the same third country group established in one <del>in its</del> Member State <del>or across the Union should be jointly subject to such periodic assessment.</del> That assessment should examine, <b>apply for</b></p>

	Commission Proposal	EP Mandate	Council Mandate
	<p>specific criteria, whether those branches pose an analogous level of risk to the financial stability of the Union or its Member States as institutions defined as “systemically important” under Directive 2013/36/EU and Regulation EU No 575/2013. Where competent authorities conclude that the third country branches are systemically important, they should impose requirements on those branches that are appropriate to mitigate the risks to financial stability. For those purposes, competent authorities should be able to require the third country branches to apply for authorisation as subsidiary institutions under Directive 2013/36/EU in order to continue conducting banking activities in the Member State or across the Union. Moreover, competent authorities should be able to impose other requirements, in particular an obligation to restructure the third country branches’ assets or activities in the Union so that those branches stop being systemic, or a requirement to comply with additional capital, liquidity, reporting or disclosure requirements, where that would be sufficient to address the risks to financial stability. Competent authorities should have the possibility not to impose any of those requirements on third country branches assessed as systemic only where the competent authorities can justify that the risks that those branches pose to the financial stability and market integrity of the Union and the Member States would not significantly increase in the absence of such requirements for a period not</p>	<p>examine, in accordance with specific criteria, whether those branches pose an analogous level of risk to the financial stability of the Union or its Member States as institutions defined as "systemically important" under Directive 2013/36/EU and Regulation EU No 575/2013. Where competent authorities conclude that the third country branches are systemically important, they should impose requirements on those branches that are appropriate to mitigate the risks to financial stability. For those purposes, competent authorities should be able to require the third country branches to apply for authorisation as subsidiary institutions under Directive 2013/36/EU in order to continue conducting banking activities in the Member State or across the Union. Moreover, competent authorities should be able to impose other requirements, in particular an obligation to restructure the third country branches’ assets or activities in the Union so that those branches stop being systemic, or a requirement to comply with additional capital, liquidity, reporting or disclosure requirements, where that would be sufficient to address the risks to financial stability. Competent authorities should have the possibility not to impose any of those requirements on third country branches assessed as systemic only where the competent authorities can justify that the risks that those branches pose to the financial stability and market integrity of the Union and the Member States would not significantly increase in the absence of such requirements for a period not</p>	<p><b>authorisation as a subsidiary institution</b> in accordance with <del>specific criteria, whether those branches pose an analogous level of risk to the financial stability of the Union or its Member States as institutions defined as "systemically important" under</del> <b>Title III, Chapter 1 of</b> Directive 2013/36/EU <del>and Regulation EU No 575/2013</del>. where <del>competent authorities conclude</del> <b>they assess</b> that the third country branches <del>are systemically important, they should impose requirements on those branches that are appropriate to mitigate the risks to financial stability. For those purposes, competent authorities should be able to require the third country branches to apply for authorisation as subsidiary institutions under Directive 2013/36/EU in order to continue conducting banking activities in the</del> <b>have a systemic importance for their</b> Member State <del>or across the Union.</del> Moreover, competent authorities should be able to impose other requirements, in particular an obligation to restructure the third country branches’ assets or activities <del>in the Union so that those branches stop being systemic, or a requirement to comply with additional capital, liquidity, reporting or disclosure requirements, where that would be sufficient to address the risks to financial stability.</del></p> <p><b>The EBA</b> <del>Competent authorities should have the possibility not to impose any of those requirements on third country branches assessed as</del> <b>be mandated to submit a report on the merit of performing assessments, at</b></p>

	Commission Proposal	EP Mandate	Council Mandate
	exceeding one year.	exceeding one year.	<b>an aggregate level, of the systemic only where the competent authorities can justify that the risks that those importance for the Union of third country groups that operate through third country branches, as well as on the merit of introducing a mechanisms fostering the exchange of information and of articulating the exercise of supervisory powers between the competent authorities responsible for the supervision of those groups and the branches established in their respective Member States pose to the financial stability and market integrity of the Union and the Member States would not significantly increase in the absence of such requirements for a period not exceeding one year.</b>
36	(26) To ensure the consistency of supervisory decisions on a third country group with branches and subsidiaries across the Union, a lead competent authority should be designated to conduct the assessment of systemic importance. That role should correspond to the consolidated supervisor of the third country group in the Union, where Article 111 of Directive 2013/36/EU applies, or to the competent authority that would become the consolidated supervisor in accordance with that Article, should the third country branches of that group be treated as its subsidiaries. Where the relevant consolidated supervisor has not	(26) To ensure the consistency of supervisory decisions on a third country group with branches and subsidiaries across the Union, a lead competent authority should be designated to conduct the assessment of systemic importance. That role should correspond to the consolidated supervisor of the third country group in the Union, where Article 111 of Directive 2013/36/EU applies, or to the competent authority that would become the consolidated supervisor in accordance with that Article, should the third country branches of that group be treated as its subsidiaries. Where the relevant consolidated supervisor has not	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	<p>been determined or where the lead competent authority has not started the assessment of systemic importance within three months. EBA should, instead, perform that assessment. The lead competent authority, or, where applicable, EBA, should consult and cooperate fully with the competent authorities responsible for supervising the relevant third country group's subsidiaries and branches across the Union. The lead competent authority and those competent authorities should take a joint decision on whether to impose requirements on the third country branches assessed as systemic. For reasons of due process, the lead competent authority or, where applicable, EBA should ensure that the third country branches' right to be heard and to make representations are respected during the assessment of systemic importance.</p>	<p>been determined or where the lead competent authority has not started the assessment of systemic importance within three months. EBA should, instead, perform that assessment. The lead competent authority, or, where applicable, EBA, should consult and cooperate fully with the competent authorities responsible for supervising the relevant third country group's subsidiaries and branches across the Union. The lead competent authority and those competent authorities should take a joint decision on whether to impose requirements on the third country branches assessed as systemic. For reasons of due process, the lead competent authority or, where applicable, EBA should ensure that the third country branches' right to be heard and to make representations are respected during the assessment of systemic importance.</p>	
37	<p>(27) Competent authorities should conduct regular reviews of third country branches' compliance with relevant requirements under Directive 2013/36/EU, and take supervisory measures on those branches to ensure or restore compliance with those requirements. To facilitate the effective supervision of the requirements on third country branches and allow for a comprehensive overview of third country groups' activities within the Union, common supervisory and financial reporting should be made available to competent</p>	<p>(27) Competent authorities should conduct regular reviews of third country branches' compliance with relevant requirements under Directive 2013/36/EU, and take supervisory measures on those branches to ensure or restore compliance with those requirements. To facilitate the effective supervision of the requirements on third country branches and allow for a comprehensive overview of third country groups' activities within the Union, common supervisory and financial reporting should be made available to competent</p>	<p>(27) Competent authorities should conduct regular reviews of third country branches' compliance with relevant requirements under Directive 2013/36/EU, and take supervisory measures on those branches to ensure or restore compliance with those requirements. To <b>enable the cooperation and information exchange with the supervisory authorities of third countries, competent authorities should endeavour to use the model administrative agreements developed by EBA in accordance with Article 33(5) of Regulation</b></p>

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	<p>authorities in accordance with standardised templates. EBA should be mandated to develop draft implementing technical standards setting out those templates and the Commission should be empowered to adopt those draft implementing technical standards.</p> <p>Furthermore, it is necessary to implement appropriate cooperation arrangements between competent authorities to ensure that all the activities of third country groups operating in the Union through third country branches are subject to comprehensive supervision, to prevent the requirements applicable to those groups under Union law from being circumvented and to minimise the potential risks to the financial stability of the Union. In particular, class 1 third country branches should be included within the scope of the colleges of supervisors of third country groups in the Union. Where such a college does not exist already, competent authorities should set up an ad hoc college for all class 1 third country branches of the same group where it operates in more than one Member State.</p>	<p>authorities in accordance with standardised templates. EBA should be mandated to develop draft implementing technical standards setting out those templates and the Commission should be empowered to adopt those draft implementing technical standards.</p> <p>Furthermore, it is necessary to implement appropriate cooperation arrangements between competent authorities to ensure that all the activities of third country groups operating in the Union through third country branches are subject to comprehensive supervision, to prevent the requirements applicable to those groups under Union law from being circumvented and to minimise the potential risks to the financial stability of the Union. In particular, class 1 third country branches should be included within the scope of the colleges of supervisors of third country groups in the Union. Where such a college does not exist already, competent authorities should set up an ad hoc college for all class 1 third country branches of the same group where it operates in more than one Member State.</p>	<p><b>(EU) No 1093/2010. However, other forms of agreements, for example through exchange of letters, should be equally acceptable. To</b> facilitate the effective supervision of the requirements on third country branches and allow for a comprehensive overview of third country groups' activities within the Union, common supervisory and financial reporting should be made available to competent authorities in accordance with standardised templates. EBA should be mandated to develop draft implementing technical standards setting out those templates and the Commission should be empowered to adopt those draft implementing technical standards.</p> <p>Furthermore, it is necessary to implement appropriate cooperation arrangements between competent authorities to ensure that all the activities of third country groups operating in the Union through third country branches are subject to comprehensive supervision, to prevent the requirements applicable to those groups under Union law from being circumvented and to minimise the potential risks to the financial stability of the Union. In particular, class 1 third country branches should be included within the scope of the colleges of supervisors of third country groups in the Union. Where such a college does not exist already, competent authorities should set up an <i>ad hoc</i> college for all class 1 third country branches of the same group where it operates in more than one Member State.</p>

	Commission Proposal	EP Mandate	Council Mandate
38	(28) The Union's third country branches framework should be applied without prejudice to the discretion that Member States may currently have to require on a general basis that third country undertakings from certain third countries conduct banking activities in their territory solely through subsidiary institutions authorised in accordance with Title III, Chapter 1 of Directive 2013/36/EU. That requirement may refer to third countries that apply banking prudential and supervisory standards that are not equivalent to the standards under the Member State's national law or to third countries that have strategic deficiencies in its regime on anti-money laundering and counter terrorist financing.	(28) The Union's third country branches framework should be applied without prejudice to the discretion that Member States may currently have to require on a general basis that third country undertakings from certain third countries conduct banking activities in their territory solely through subsidiary institutions authorised in accordance with Title III, Chapter 1 of Directive 2013/36/EU. That requirement may refer to third countries that apply banking prudential and supervisory standards that are not equivalent to the standards under the Member State's national law or to third countries that have strategic deficiencies in its regime on anti-money laundering and counter terrorist financing.	(28) The Union's third country branches framework should be applied without prejudice to the discretion that Member States may currently have to require on a general basis that third country undertakings from certain third countries conduct banking activities in their territory solely through subsidiary institutions authorised in accordance with Title III, Chapter 1 of Directive 2013/36/EU. That requirement may refer to third countries that apply banking prudential and supervisory standards that are not equivalent to the standards under the Member State's national law or to third countries that have strategic deficiencies in its regime on anti-money laundering and counter terrorist financing.
38a			<b>(28a) In order to assess adequately the conditions for third country groups to apply for authorisation in accordance with Title VI , the EBA should be mandated to submit a report to the European Parliament, to the Council and to the Commission.</b>
38b		<u><i>(28a) Notwithstanding current secrecy rules applicable, information exchange between competent authorities and tax authorities should be improved. This exchange of information should, nonetheless, be in line</i></u>	<b>(28b) Notwithstanding current secrecy rules applicable, information exchange between competent authorities and tax authorities should be improved. Such exchanges should be in line with national law, and, where the</b>



	Commission Proposal	EP Mandate	Council Mandate
		<u><i>with national law, and, where the information originates in another Member State, agreement for disclosure should be reached between the relevant competent authorities.</i></u>	<b>information originates in another Member State, it should only be disclosed with the express agreement of the relevant competent authority which has disclosed it.</b>
39	<p>(29) Following the introduction of IFRS 9 on 1 January 2018, the outcome of the expected credit losses calculations, which is based on a modelling approaches, directly affects the amount of own funds and the regulatory ratios of institutions. The same modelling approaches are also the basis for the expected credit losses calculation where institutions apply national accounting frameworks. As a result, it is important that competent authorities and EBA have a clear view of the impact that those calculations have on the range of values for risk-weighted assets and own funds requirements that arise for similar exposures. To that end, the benchmarking exercise should cover also those modelling approaches. Given that institutions calculating capital requirements in accordance with the standardised approach for credit risk may also use models for the calculation of expected credit losses within the IFRS 9 framework, those institutions should also be included in the benchmarking exercise, taking into account the principle of proportionality.</p>	<p>(29) Following the introduction of IFRS 9 on 1 January 2018, the outcome of the expected credit losses calculations, which is based on a modelling approaches, directly affects the amount of own funds and the regulatory ratios of institutions. The same modelling approaches are also the basis for the expected credit losses calculation where institutions apply national accounting frameworks. As a result, it is important that competent authorities and EBA have a clear view of the impact that those calculations have on the range of values for risk-weighted assets and own funds requirements that arise for similar exposures. To that end, the benchmarking exercise should cover also those modelling approaches. Given that institutions calculating capital requirements in accordance with the standardised approach for credit risk may also use models for the calculation of expected credit losses within the IFRS 9 framework, those institutions should also be included in the benchmarking exercise, taking into account the principle of proportionality.</p>	<p>(29) Following the introduction of IFRS 9 on 1 January 2018, the outcome of the expected credit losses calculations, which is based on a modelling approaches, directly affects the amount of own funds and the regulatory ratios of institutions. The same modelling approaches are also the basis for the expected credit losses calculation where institutions apply national accounting frameworks. As a result, it is important that competent authorities and EBA have a clear view of the impact that those calculations have on the range of values for risk-weighted assets and own funds requirements that arise for similar exposures. To that end, the benchmarking exercise should cover also those modelling approaches. Given that institutions calculating capital requirements in accordance with the standardised approach for credit risk may also use models for the calculation of expected credit losses within the IFRS 9 framework, those institutions should also be included in the benchmarking exercise, taking into account the principle of proportionality.</p>
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	<p>(30) Regulation (EU) 2019/876<sup>1</sup> amended Regulation (EU) No 575/2013 by introducing a revised market risk framework developed by the Basel Committee for Banking Supervision. The alternative standardised approach that is part of that new framework allows institutions to model certain parameters used in the calculation of risk-weighted assets and own funds requirements for market risk. It is therefore important that competent authorities and EBA have a clear view of the range of values for risk-weighted assets and own funds requirements that arise for similar exposures not only under the alternative internal model approach, but also under the alternative standardised approach. As a result, the market risk benchmarking exercise should cover the revised standardised and internal model approaches.</p> <p><sup>1</sup> Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 7.6.2019, p. 1).</p>	<p>(30) Regulation (EU) 2019/876<sup>1</sup> amended Regulation (EU) No 575/2013 by introducing a revised market risk framework developed by the Basel Committee for Banking Supervision. The alternative standardised approach that is part of that new framework allows institutions to model certain parameters used in the calculation of risk-weighted assets and own funds requirements for market risk. It is therefore important that competent authorities and EBA have a clear view of the range of values for risk-weighted assets and own funds requirements that arise for similar exposures not only under the alternative internal model approach, but also under the alternative standardised approach. As a result, the market risk benchmarking exercise should cover the revised standardised and internal model approaches.</p> <p><sup>1</sup> Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 7.6.2019, p. 1).</p>	<p>(30) Regulation (EU) 2019/876<sup>1</sup> amended Regulation (EU) No 575/2013 by introducing a revised market risk framework developed by the Basel Committee for Banking Supervision. The alternative standardised approach that is part of that new framework allows institutions to model certain parameters used in the calculation of risk-weighted assets and own funds requirements for market risk. It is therefore important that competent authorities and EBA have a clear view of the range of values for risk-weighted assets and own funds requirements that arise for similar exposures not only under the alternative internal model approach, but also under the alternative standardised approach. As a result, the market risk benchmarking exercise should cover the revised standardised and internal model approaches, <b>taking into account the principle of proportionality.</b></p> <p><sup>1</sup> Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 7.6.2019, p. 1).</p>
41	<p>(31) The global transition towards a sustainable economy as enshrined in the Paris Agreement<sup>1</sup>, as concluded by the Union, and</p>	<p>(31) The global transition towards a sustainable economy as enshrined in the Paris Agreement<sup>1</sup>, as concluded by the Union, and</p>	<p>(31) The global transition towards a sustainable economy as enshrined in the Paris Agreement<sup>1</sup>, as concluded by the Union, and</p>

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	<p>the United Nations 2030 Agenda for Sustainable Development will require a profound socio-economic transformation and will depend on the mobilisation of significant financial resources from the public and private sectors. The European Green Deal<sup>2</sup> commits the Union to becoming climate-neutral by 2050. The financial system has a relevant role to play in supporting that transition, which relates not only to capturing and supporting the opportunities that will arise but also to properly managing the risks that it may entail.</p> <p>1. Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p. 4). 2. COM(2019) 640 final.</p>	<p>the United Nations 2030 Agenda for Sustainable Development will require a profound socio-economic transformation and will depend on the mobilisation of significant financial resources from the public and private sectors. The European Green Deal<sup>2</sup> commits the Union to becoming climate-neutral by 2050. The financial system has a relevant role to play in supporting that transition, which relates not only to capturing and supporting the opportunities that will arise but also to properly managing the risks that it may entail.</p> <p>1. Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p. 4). 2. COM(2019) 640 final.</p>	<p>the United Nations 2030 Agenda for Sustainable Development will require a profound socio-economic transformation and will depend on the mobilisation of significant financial resources from the public and private sectors. The European Green Deal<sup>2</sup> commits the Union to becoming climate-neutral by 2050. The financial system has a relevant role to play in supporting that transition, which relates not only to capturing and supporting the opportunities that will arise but also to properly managing the risks that it may entail. <b>As those risks can have implications for the stability of both individual institutions and the financial system as a whole, an enhanced risk-based regulatory prudential framework that better integrates the related risks is necessary.</b></p> <p>1. Council Decision (EU) 2016/1841 of 5 October 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 282, 19.10.2016, p. 4). 2. COM(2019) 640 final.</p>
42	<p>(32) The unprecedented scale of transition towards a sustainable, climate-neutral and circular economy will have considerable impacts on the financial system. In 2018, the Network of Central Banks and Supervisors for Greening the Financial System<sup>1</sup> acknowledged that climate-related risks are a source of</p>	<p>(32) The unprecedented scale of transition towards a sustainable, climate-neutral and circular economy will have considerable impacts on the financial system. In 2018, the Network of Central Banks and Supervisors for Greening the Financial System<sup>1</sup> acknowledged that climate-related risks are a source of</p>	<p>(32) The unprecedented scale of transition towards a sustainable, climate-neutral and circular economy will have considerable impacts on the financial system. In 2018, the Network of Central Banks and Supervisors for Greening the Financial System<sup>1</sup> acknowledged that climate-related risks are a source of</p>

	Commission Proposal	EP Mandate	Council Mandate
	<p>financial risk. The Commission’s Renewed Sustainable Finance Strategy<sup>2</sup> emphasises that environmental, social and governance (ESG) risks, and risks steaming from the physical impact of climate change, biodiversity loss and the broader environmental degradation of ecosystems in particular, pose an unprecedented challenge to our economies and to the stability of the financial system. Those risks present specificities such as their forward-looking nature and their distinctive impacts over short, medium and long-term time horizons.</p> <p>1. Launched at the Paris One Planet Summit on 12 December 2017, is a group of Central Banks and Supervisors willing, on a voluntary basis, to share best practices and contribute to the development of environment and climate risk management in the financial sector and to mobilise mainstream finance to support the transition toward a sustainable economy. 2. COM(2021) 390 final, 06.07.2021.</p>	<p>financial risk. The Commission’s Renewed Sustainable Finance Strategy<sup>2</sup> emphasises that environmental, social and governance (ESG) risks, and risks steaming from the physical impact of climate change, biodiversity loss and the broader environmental degradation of ecosystems in particular, pose an unprecedented challenge to our economies and to the stability of the financial system. Those risks, <i><u>which should be taken into account equally</u></i>, present specificities such as their forward-looking nature and their distinctive impacts over short, medium and long-term time horizons. <i><u>The specificity of climate-related environmental risks, both in terms of transition and physical risks, requires, in particular, that such risks be managed over a period of at least 10 years.</u></i></p> <p>1. Launched at the Paris One Planet Summit on 12 December 2017, is a group of Central Banks and Supervisors willing, on a voluntary basis, to share best practices and contribute to the development of environment and climate risk management in the financial sector and to mobilise mainstream finance to support the transition toward a sustainable economy. 2. COM(2021) 390 final, 06.07.2021.</p>	<p>financial risk. The Commission’s Renewed Sustainable Finance Strategy<sup>2</sup> emphasises that environmental, social and governance (ESG) risks, and risks steaming from the physical impact of climate change, biodiversity loss and the broader environmental degradation of ecosystems in particular, pose an unprecedented challenge to our economies and to the stability of the financial system. Those risks present specificities such as their forward-looking nature and their distinctive impacts over short, medium and long-term time horizons. <b>The specificity of climate-related and other environmental risks, for example risks stemming from environmental degradation and biodiversity loss, as regards both transition and physical risks, requires in particular to manage those risks with a long-term horizon of at least 10 years.</b></p> <p>1. Launched at the Paris One Planet Summit on 12 December 2017, is a group of Central Banks and Supervisors willing, on a voluntary basis, to share best practices and contribute to the development of environment and climate risk management in the financial sector and to mobilise mainstream finance to support the transition toward a sustainable economy. 2. COM(2021) 390 final, 06.07.2021.</p>
43	(33) The long-term nature and the profoundness of the transition towards a sustainable, climate-neutral and circular economy will entail significant changes in the	(33) The long-term nature and the profoundness of the transition towards a sustainable, climate-neutral and circular economy will entail significant changes in the	(33) The long-term nature and the profoundness of the transition towards a sustainable, climate-neutral and circular economy will entail significant changes in the

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	<p>business models of institutions. The adequate adjustment of the financial sector, and of credit institutions in particular, is necessary to achieve the objective of net-zero greenhouse gas emissions in the Union's economy by 2050, while maintaining the inherent risks under control. Competent authorities should, therefore, be enabled to assess this process and intervene in cases where institutions' manage climate risks, as well as risks stemming from environmental degradation and biodiversity loss, in a way that endangers the stability of the individual institutions, or the financial stability overall. Competent authorities should also monitor and be empowered to act, when there is a misalignment of institutions' business models and strategies with the relevant Union policy objectives and broader transition trends towards a sustainable economy, resulting in risks to their business models and strategies, or to the financial stability. Climate and, more broadly, environmental risks, should be considered together with social risks and governance risks under one category of risks to enable a comprehensive and coordinated integration of these factors, as they are often intertwined. ESG risks are closely linked with the concept of sustainability, as ESG factors represent the main three pillars of sustainability.</p>	<p>business models of institutions. The adequate adjustment of the financial sector, and of credit institutions in particular, is necessary to achieve the objective of net-zero greenhouse gas emissions in the Union's economy by 2050, while maintaining the inherent risks under control. Competent authorities should, therefore, be enabled to assess this process and intervene in cases where institutions' manage climate risks, as well as risks stemming from environmental degradation and biodiversity loss, in a way that endangers the stability of the individual institutions, or the financial stability overall. Competent authorities should also monitor and be empowered to act, when there is a misalignment of institutions' business models and strategies with the relevant <del>Union policy</del> <b>regulatory</b> objectives <del>and broader transition trends</del> towards a sustainable economy, resulting in risks to their business models and strategies, or to the financial stability. <u><i>These objectives should include Union policy objectives and established international standards such as the Paris Agreement.</i></u> Climate and, more broadly, environmental risks, should be considered together with social risks and governance risks under one category of risks to enable a comprehensive and coordinated integration of these factors, as they are often intertwined. ESG risks are closely linked with the concept of sustainability, as ESG factors represent the main three pillars of sustainability.</p>	<p>business models of institutions. The adequate adjustment of the financial sector, and of credit institutions in particular, is necessary to achieve the objective of net-zero greenhouse gas emissions in the Union's economy by 2050, while maintaining the inherent risks under control. Competent authorities should, therefore, be enabled to assess this process and intervene in cases where institutions' manage climate risks, as well as risks stemming from environmental degradation and biodiversity loss, in a way that endangers the stability of the individual institutions, or the financial stability overall. Competent authorities should also monitor and be empowered to act, when there <del>is a misalignment of institutions' business models and strategies with the relevant Union policy objectives and broader transition trends towards a sustainable economy</del> <b>are financial risks arising from transition trends towards the relevant Member States and Union legal and regulatory objectives in relation to environmental, social and governance factors, for example as set out in Regulation (EU) 2021/1119 ("European Climate Law"), the Fit for 55 package and the post-2020 Global Biodiversity Framework, as well as, where relevant for internationally active institutions, third country legal and regulatory objectives</b>, resulting in risks to their business models and strategies, or to the financial stability. <b>When third country objectives in relation to environmental, social and governance factors would result</b></p>

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			<b>in transition trends that are less ambitious than those under Union law, competent authorities should be encouraged to act based on the Union objectives.</b> Climate and, more broadly, environmental risks, should be considered together with social risks and governance risks under one category of risks to enable a comprehensive and coordinated integration of these factors, as they are often intertwined. ESG risks are closely linked with the concept of sustainability, as ESG factors represent the main three pillars of sustainability.
44	(34) To maintain adequate resilience to the negative impacts of ESG factors, institutions established in the Union need to be able to systematically identify, measure and manage ESG risks, and their supervisors need to assess the risks at the level of the individual institution as well as at the systemic level, giving priority to environmental factors and progressing to the other sustainability factors as the methodologies and tools for the assessment evolve. Institutions should assess the alignment of their portfolios with the ambition of the Union to become climate-neutral by 2050 as well as avert environmental degradation and biodiversity loss. Institutions should set out specific plans to address the risks arising, in the short, medium and long term, from the misalignment of their business model and	(34) To maintain adequate resilience to the negative impacts of ESG factors, institutions established in the Union need to be able to systematically identify, measure and manage ESG risks, and their supervisors need to assess the risks at the level of the individual institution as well as at the systemic level, giving priority to environmental factors and progressing to the other sustainability factors as the methodologies and tools for the assessment evolve. Institutions should assess the alignment of their portfolios with the ambition of the Union to become climate-neutral by 2050 as well as avert environmental degradation and biodiversity loss. Institutions should set out specific plans to address the risks arising, in the short, medium and long term, from the misalignment of their business model and	(34) To maintain adequate resilience to the negative impacts of ESG factors, institutions established in the Union need to be able to systematically identify, measure and manage ESG risks, and their supervisors need to assess the risks at the level of the individual institution as well as at the systemic level, giving priority to environmental factors and progressing to the other sustainability factors as the methodologies and tools for the assessment evolve. Institutions should assess the alignment of their portfolios with the ambition of the Union to become climate-neutral by 2050 as well as avert environmental degradation and biodiversity loss. Institutions should set out specific plans to address the <b>financial</b> risks arising, in the short, medium and long term, from <del>the misalignment of their business model</del>

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	<p>strategy with relevant policy objectives of the Union, included in the Paris Agreement, the Fit for 55 package<sup>1</sup> [and the post-2020 Global Biodiversity Framework]. Institutions should be required to have robust governance arrangements and internal processes for the management of ESG risks and to have in place strategies approved by their management bodies that take into consideration not only the current but also the forward-looking impact of ESG factors. The collective knowledge and awareness of ESG factors by the management body and institutions' internal capital allocation to address ESG risks will also be key to drive the change within each and single institution. The specificities of ESG risks as well as their relative novelty means that understandings, measurements and management practices can differ significantly across institutions. To ensure convergence across the Union and a uniform understanding of ESG risks, appropriate definitions and minimum standards for the assessment of those risks should be provided in prudential regulation. To achieve this objective, definitions are laid down in Regulation (EU) No 575/2013 and the EBA is empowered to specify a minimum set of reference methodologies for the assessment of the impact of ESG risks on the financial stability of institutions, giving priority to the impact of environmental factors. Since the forward-looking nature of ESG risks means that scenario analysis and stress testing, together with plans for addressing those risks,</p>	<p>strategy with relevant policy objectives of the Union, included in the Paris Agreement, the Fit for 55 package<sup>1</sup> [and the post-2020 Global Biodiversity Framework]. Institutions should be required to have robust governance arrangements and internal processes for the management of ESG risks and to have in place strategies approved by their management bodies that take into consideration not only the current but also the forward-looking impact of ESG factors. <u><a href="#">These strategies should ensure adherence to the Union's ambition to be climate neutral by 2050 in line with Regulation (EU) 2021/1119 of the European Parliament and of the Council<sup>2</sup></a></u>. The collective knowledge and awareness of ESG factors by the management body and institutions' internal capital allocation to address ESG risks will also be key to drive the change within each and single institution. The specificities of ESG risks <del>as well as their relative novelty</del> means that understandings, measurements and management practices can differ significantly across institutions. To ensure convergence across the Union and a uniform understanding of ESG risks, appropriate definitions and minimum standards for the assessment of those risks should be provided in prudential regulation. To achieve this objective, definitions are laid down in Regulation (EU) No 575/2013 and the EBA is empowered to specify a minimum set of reference methodologies for the assessment of the impact of ESG risks on the financial stability of</p>	<p><del>and strategy with</del> <b>environmental, social and governance factors, including from transition trends towards the relevant legal and regulatory policy objectives of the Union and Member States, for example as set out, included in the Paris Agreement, Regulation (EU) 2021/1119, the Fit for 55 package<sup>1</sup> {and the post-2020 Global Biodiversity Framework}, as well as, where relevant for internationally active institutions, third country legal and regulatory objectives. When third country objectives in relation to environmental, social and governance factors would result in transition trends that are less ambitious than those under Union law, institutions should assess the financial risks based on the same level of ambition as under Union law.</b> Institutions should be required to have robust governance arrangements and internal processes for the management of ESG risks and to have in place strategies approved by their management bodies that take into consideration not only the current but also the forward-looking impact of ESG factors. The collective knowledge and awareness of ESG factors by the management body and institutions' internal capital allocation to address ESG risks will also be key to <b>strengthen resilience to the negative impacts of these risks</b> <del>drive the change within each and single institution</del>. The specificities of ESG risks as well as their relative novelty means that understandings, measurements and management practices can differ significantly across institutions. To</p>

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	<p>are particularly informative assessment tools, EBA should be also empowered to develop uniform criteria for the content of the plans to address those risks and for the setting of scenarios and applying the stress testing methods. Environment-related risks, including risks stemming from environmental degradation and biodiversity loss, and climate-related risks in particular should take priority in light of their urgency and the particular relevance of scenario analysis and stress testing for their assessment.</p> <p>1. Communication of the Commission COM(2021)568 final, 14.07.2021, comprising the following Commission proposals: COM(2021)562 final, COM(2021)561 final, COM(2021)564 final, COM(2021)563 final, COM(2021)556 final, COM(2021)559 final, COM(2021)558 final, COM(2021)557 final, COM(2021)554 final, COM(2021)555 final, COM(2021)552 final.</p>	<p>institutions, giving priority to the impact of environmental factors. Since the forward-looking nature of ESG risks means that scenario analysis and stress testing, together with plans for addressing those risks, are particularly informative assessment tools, EBA should be also empowered to develop uniform criteria for the content of the plans to address those risks and for the setting of scenarios and applying the stress testing methods. <u><a href="#">EBA should base its scenarios on available scientific evidence, building on the work of the Network for Greening the Financial System and the efforts by the Commission to strengthen cooperation between all relevant public authorities with a view to developing a common methodological base, as outlined in point c of Action 5 of the Communication of the Commission of 6 July 2021 on the Strategy for Financing the Transition to a Sustainable Economy.</a></u> Environment-related risks, including risks stemming from environmental degradation and biodiversity loss, and climate-related risks in particular should take priority in light of their urgency and the particular relevance of scenario analysis and stress testing for their assessment.</p> <p>1. Communication of the Commission COM(2021)568 final, 14.07.2021, comprising the following Commission proposals: COM(2021)562 final, COM(2021)561 final, COM(2021)564 final, COM(2021)563 final, COM(2021)556 final, COM(2021)559 final, COM(2021)558 final, COM(2021)557 final, COM(2021)554 final, COM(2021)555 final,</p>	<p>ensure convergence across the Union and a uniform understanding of ESG risks, appropriate definitions and minimum standards for the assessment of those risks should be provided in prudential regulation. To achieve this objective, definitions are laid down in Regulation (EU) No 575/2013 and the EBA is empowered to specify a minimum set of reference methodologies for the assessment of the impact of ESG risks on the financial stability of institutions, giving priority to the impact of environmental factors. Since the forward-looking nature of ESG risks means that scenario analysis and stress testing, together with plans for addressing those risks, are particularly informative assessment tools, EBA should be also empowered to develop uniform criteria for the content of the plans to address those risks and for the setting of scenarios and applying the stress testing methods. Environment-related risks, including <b>climate related risks and</b> risks stemming from environmental degradation and biodiversity loss, <del>and climate-related risks in particular</del> should take priority in light of their urgency and the particular relevance of scenario analysis and stress testing for their assessment.</p> <p>1. Communication of the Commission COM(2021)568 final, 14.07.2021, comprising the following Commission proposals: COM(2021)562 final, COM(2021)561 final, COM(2021)564 final, COM(2021)563 final, COM(2021)556 final, COM(2021)559 final, COM(2021)558 final, COM(2021)557 final, COM(2021)554 final, COM(2021)555 final,</p>



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		COM(2021)552 final. <u>2. Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).</u>	COM(2021)552 final.
44a		<u>(34a) As major providers of funding for businesses and households in the Union, institutions have a relevant role to play in promoting sustainable development across the Union. For the Union to deliver on its overall climate neutrality objective as set out in Regulation (EU) 2021/1119, institutions need to integrate into the definition and implementation of their policies and activities the role of promoting sustainable development. To cater for this process, institutions' business model and strategy must be contrasted against the relevant Union policy objectives towards a sustainable economy, for example against the measures prescribed by the European Scientific Advisory Board on Climate Change, to identify their ESG risks from misalignments. Where institutions disclose their sustainability objectives and commitments under other mandatory or voluntary sustainability frameworks, such as under Directive 2013/34/EU, those objectives should be consistent with the specific plans to address the ESG risks they may face, in the short,</u>	

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		<p><u>medium and long term. The competent authorities should assess through their relevant supervisory activities the extent to which institutions face ESG risks and have accompanying management policies and operational actions reflected in the targets and milestones defined in their prudential plans that are consistent with their disclosed sustainability commitments in the context of the process of adjustment towards climate neutrality by 2050. The competent authorities should be empowered to demand institutions to reinforce targets, measures, and actions of their prudential plans where they are considered insufficient to address the ESG risks in the short, medium and long term time horizon and may in that regard pose material risks to their solvability. To promote sound and effective risk oversight as well as managerial behaviour in alignment with their long-term strategy on sustainability, the risk appetite of institutions in relation to ESG risks should be an integral part of their remuneration policies and practices.</u></p>	
45	<p>(35) ESG risks can have far-reaching implications for the stability of both individual institutions and the financial system as whole. Hence, competent authorities should consistently factor those risks into their relevant supervisory activities, including the supervisory evaluation and review process and</p>	<p>(35) ESG risks can have far-reaching implications for the stability of both individual institutions and the financial system as whole. Hence, competent authorities should consistently factor those risks into their relevant supervisory activities, including the supervisory evaluation and review process and</p>	<p>(35) ESG risks can have far-reaching implications for the stability of both individual institutions and the financial system as whole. Hence, competent authorities should consistently factor those risks into their relevant supervisory activities, including the supervisory evaluation and review process and</p>

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	<p>the stress testing of those risks. The European Commission, via its Technical Support Instrument, has been providing support to national competent authorities in developing and implementing stress testing methodologies and stands ready to continue to provide technical support in this respect. However, the stress testing methodologies for ESG risks have so far mainly been applied in an exploratory manner. To firmly and consistently embed stress testing of ESG in supervision, the EBA, European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA) should jointly develop guidelines to ensure consistent considerations and common methodologies for stress testing ESG risks. Stress testing of those risks should start with climate and environment-related factors, and as more ESG risk data and methodologies become available to support the development of additional tools to assess their quantitative impact on financial risks, competent authorities should increasingly assess the impact of those risks in their adequacy assessments of credit institutions. In order to ensure convergence of supervisory practices, EBA should issue guidelines regarding the uniform inclusion of ESG risks in the supervisory review and evaluation process (SREP).</p>	<p>the stress testing of those risks. The European Commission, via its Technical Support Instrument, has been providing support to national competent authorities in developing and implementing stress testing methodologies and stands ready to continue to provide technical support in this respect. However, the stress testing methodologies for ESG risks have so far mainly been applied in an exploratory manner. To firmly and consistently embed stress testing of ESG in supervision, the EBA, <a href="#"><u>the European Supervisory Authority</u></a> (European Insurance and Occupational Pensions Authority) (EIOPA) and the European <a href="#"><u>Supervisory Authority</u></a> (European Securities and Markets Authority) (ESMA) should jointly develop guidelines to ensure consistent considerations and common methodologies for stress testing ESG risks. Stress testing of those risks should start with climate and environment-related factors, and as more ESG risk data and methodologies become available to support the development of additional tools to assess their quantitative impact on financial risks, competent authorities should increasingly assess the impact of those risks in their adequacy assessments of credit institutions. In order to ensure convergence of supervisory practices, EBA should issue guidelines regarding the uniform inclusion of ESG risks in the supervisory review and evaluation process (SREP).</p>	<p>the stress testing of those risks. The European Commission, via its Technical Support Instrument, has been providing support to national competent authorities in developing and implementing stress testing methodologies and stands ready to continue to provide technical support in this respect. However, the stress testing methodologies for ESG risks have so far mainly been applied in an exploratory manner. To firmly and consistently embed stress testing of ESG in supervision, the EBA, European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA) should jointly develop guidelines to ensure consistent considerations and common methodologies for stress testing ESG risks. Stress testing of those risks should start with climate and environment-related factors, and as more ESG risk data and methodologies become available to support the development of additional tools to assess their quantitative impact on financial risks, competent authorities should increasingly assess the impact of those risks in their adequacy assessments of credit institutions. In order to ensure convergence of supervisory practices, EBA should issue guidelines regarding the uniform inclusion of ESG risks in the supervisory review and evaluation process (SREP).</p>

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46	<p>(36) The provisions in Article 133 of Directive 2013/36/EU on the systemic risk buffer framework may already be used to address various kinds of systemic risks, including risks related to climate change. To the extent that the relevant competent or designated authorities, as applicable, consider that risks related to climate change have the potential to have serious negative consequences for the financial system and the real economy in Member States, they should introduce a systemic risk buffer rate for those risks where they consider the introduction of such rate effective and proportionate to mitigate those risks.</p>	<p>(36) The provisions in Article 133 of Directive 2013/36/EU on the systemic risk buffer framework may already be used to address various kinds of systemic risks, including risks related to climate change. To the extent that the relevant competent or designated authorities, as applicable, consider that risks related to climate change have the potential to have serious negative consequences for the financial system and the real economy in Member States, they should introduce a systemic risk buffer rate <u>which could also be applied to certain sets or subsets of exposures, for instance</u> <del>for</del> those <u>subject to physical and transition</u> risks <u>related to climate change</u>, where they consider the introduction of such rate effective and proportionate to mitigate those risks.</p>	<p><i>deleted</i></p>
47	<p>(37) Members of the management body may undergo the suitability assessment only after a significant time after their appointment or, in the case of key function holders, not at all. Thus, members of the management body who do not meet the suitability criteria may have exercised their duties for a long time, which is problematic especially for large institutions. Moreover, cross-border institutions must navigate through a wide diversity of national rules and processes, which does not make the current system efficient. The existence of different requirements as regards the suitability</p>	<p>(37) Members of the management body may undergo the suitability assessment only after a significant time after their appointment or, in the case of key function holders, not at all. Thus, members of the management body who do not meet the suitability criteria may have exercised their duties for a long time, which is problematic especially for large institutions. Moreover, cross-border institutions must navigate through a wide diversity of national rules and processes, which does not make the current system efficient. The existence of different requirements as regards the suitability</p>	<p><del>(37) Members of the management body may undergo the suitability assessment only after a significant time after their appointment or, in the case of key function holders, not at all. Thus, members of the management body who do not meet the suitability criteria may have exercised their duties for a long time, which is problematic especially for large institutions. Moreover, cross-border institutions must navigate through a wide diversity of national rules and processes, which does not make the current system efficient. The existence of different requirements as regards the suitability</del></p>

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	assessment across the Union is a particularly acute issue in the context of the Banking Union. As a result, it is important to provide a set of rules at Union level to put in place a consistent and predictable “fit-and-proper” framework. This will foster supervisory convergence, enabling further trust between competent authorities and give more legal certainty to institutions. Having a robust “fit-and-proper” framework for assessing the suitability of members of the management body and key function holders is a crucial factor to ensure that institutions are adequately run and their risks appropriately managed.	assessment across the Union is a particularly acute issue in the context of the Banking Union. As a result, it is important to provide a set of rules at Union level to put in place a consistent and predictable “fit-and-proper” framework. This will foster supervisory convergence, enabling further trust between competent authorities and give more legal certainty to institutions. Having a robust “fit-and-proper” framework for assessing the suitability of members of the management body and key function holders is a crucial factor to ensure that institutions are adequately run and their risks appropriately managed.	<del>assessment across the Union is a particularly acute issue in the context of the Banking Union. As a result, it is important to provide a set of rules at Union level to put in place a consistent and predictable “fit-and-proper” framework. This will foster supervisory convergence, enabling further trust between competent authorities and give more legal certainty to institutions. Having a robust “fit-and-proper” framework for assessing the suitability of members of the management body and key function holders is a crucial factor to ensure that institutions are adequately run and their risks appropriately managed.</del>
48	(38) The purpose of assessing the suitability of members of management bodies is to ensure that those members are qualified for their role and are of good repute. Having the primary responsibility for assessing the suitability of each member of the management body, institutions should carry out the suitability assessment, followed by a verification by the competent authorities that may perform it before or after the member of the management body takes up the position. However, due to the risks posed by large institutions resulting in particular from potential contagion effects, unsuitable members of management body should be prevented from influencing the running of such large institutions with potential serious detrimental effects. It is therefore	(38) The purpose of assessing the suitability of members of management bodies is to ensure that those members are qualified for their role and are of good repute. Having the primary responsibility for assessing the suitability of each member of the management body, institutions should carry out the suitability assessment, followed by a verification by the competent authorities that may perform it before or after the member of the management body takes up the position. <u><i>In particular, small and non-complex institutions should be given more flexibility in line with the principle of proportionality. In this case, and in exceptional and well justified situations where an ex-ante assessment cannot be performed, this assessment should be performed without</i></u>	<i>deleted</i>

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	<p>appropriate that, safe in exceptional circumstances, the competent authorities assess the suitability of members of the management body of large institutions before those members exercise their duties.</p>	<p><u><i>undue delay immediately after members of management bodies take up their position.</i></u>  However, due to the risks posed by large institutions resulting in particular from potential contagion effects, unsuitable members of management body should be prevented from influencing the running of such large institutions with potential serious detrimental effects. It is therefore appropriate that, safe in exceptional circumstances, the competent authorities assess the suitability of members of the management body of large institutions before those members exercise their duties.  <u><i>This should not interfere with any statutory rights of certain bodies or legal entities to appoint representatives to supervised entities' management bodies under applicable national law. In these cases, appropriate safeguards should be in place to ensure the suitability of these representatives.</i></u></p>	
48a		<p><u><i>(38a) To facilitate independent opinions and critical challenges, the management body should be sufficiently diverse as regards age, gender, geographical provenance and educational and professional background to present a variety of views and experiences. Gender balance is of particular importance to ensure adequate representation of the population. Institutions should set target and define measures to balance gender participation in the management body.</i></u></p>	

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49	<p>(39) Not only members of the management body, but also key function holders have a significant influence in ensuring the sound and prudent management of an institution on a day-to-day basis. Because Directive 2013/36/EU does not currently define key function holders, Member States have diverging practices across the Union, which impedes an effective and efficient supervision and prevents a level playing field. It is therefore necessary to define key function holders. In addition, the responsibility for assessing the suitability of key function holders should primarily belong to institutions. However, due to the risks posed by the activities of large institutions, the suitability of the heads of internal control functions and the chief financial officer in such large institutions should be assessed by competent authorities before those persons take up their positions.</p>	<p>(39) Not only members of the management body, but also key function holders have a significant influence in ensuring the sound and prudent management of an institution on a day-to-day basis. Because Directive 2013/36/EU does not currently define key function holders, Member States have diverging practices across the Union, which impedes an effective and efficient supervision and prevents a level playing field. It is therefore necessary to define key function holders. In addition, the responsibility for assessing the suitability of key function holders should primarily belong to institutions. <u><i>In particular, small and non-complex institutions should be given more flexibility in line with the principle of proportionality.</i></u> However, due to the risks posed by the activities of large institutions, the suitability of the heads of internal control functions and the chief financial officer in such large institutions should be assessed by competent authorities before those persons take up their positions. <u><i>In any case, the assessment of the members of the management body should be without prejudice to provisions of the Member States in regards to the appointment by representation of employees or by regional or local elected bodies.</i></u></p>	<p>(39) Not only members of the management body, but also key function holders have a significant influence in ensuring the sound and prudent management of an institution on a day-to-day basis. Because Directive 2013/36/EU does not currently define key function holders, Member States have diverging practices across the Union, which impedes an effective and efficient supervision and prevents a level playing field. It is therefore necessary to define key function holders. In addition, the responsibility for assessing the suitability of key function holders should primarily belong to institutions. However, due to the risks posed by the activities of large institutions, the suitability of the heads of internal control functions and the chief financial officer in such large institutions should be assessed by competent authorities <b>on an ex-ante or ex-post basis before those persons take up their positions.</b></p>
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	Commission Proposal	EP Mandate	Council Mandate
	(40) In order to ensure legal certainty and predictability for the institutions, it is necessary to establish an efficient and timely process for verifying the suitability of members of the management body and key function holders by competent authorities. Such process should enable competent authorities to request any additional information where necessary, but also ensure that those competent authorities are able to handle the suitability assessments within the prescribed timeframe. Institutions, from their side, should provide the competent authorities with correct and complete information within the allocated time and respond quickly and in good faith to requests for additional information from the competent authorities.	(40) In order to ensure legal certainty and predictability for the institutions, it is necessary to establish an efficient and timely process for verifying the suitability of members of the management body and key function holders by competent authorities. Such process should enable competent authorities to request any additional information where necessary, but also ensure that those competent authorities are able to handle the suitability assessments within the prescribed timeframe. Institutions, from their side, should provide the competent authorities with correct and complete information within the allocated time and respond quickly and in good faith to requests for additional information from the competent authorities.	<i>deleted</i>
51	(41) In light of the role of the suitability assessment for the prudent and sound management of institutions, it is necessary to provide competent authorities with new tools, such as statements of responsibilities and a mapping of duties, to assess the suitability of members of the management body and key function holders. Those new tools will also support the work of competent authorities when reviewing the governance arrangements of institutions as part of the supervisory review and evaluation process. Notwithstanding the overall responsibility of the management body as a collegial body, institutions should be	(41) In light of the role of the suitability assessment for the prudent and sound management of institutions, it is necessary to provide competent authorities with new tools, such as statements of responsibilities and a mapping of duties, to assess the suitability of members of the management body and key function holders. Those new tools will also support the work of competent authorities when reviewing the governance arrangements of institutions as part of the supervisory review and evaluation process. Notwithstanding the overall responsibility of the management body as a collegial body, institutions should be	(41) In light of the role of the suitability assessment for the prudent and sound management of institutions, it is necessary to <b>provide equip</b> competent authorities with new tools, <del>such as statements of responsibilities and a mapping of duties, to assess the suitability of members of the management body and key function holders</del> <b>to assess the suitability of members of management body in its management function, senior management and key function holders, such as statements of responsibilities and a mapping of duties.</b> Those new tools <del>will also</del> <b>should</b> support the work of competent authorities when reviewing



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	<p>required to draw up individual statements and a mapping that clarify the duties held by members of the management body, senior management and key function holders. Their individual duties are not always clearly or consistently laid down and there may be situations where two or more roles overlap or where areas of duties are overlooked because they do not fall neatly under the remit of a single person. The scope of each individual's duties should be well defined and no areas of duties should be left without ownership. Those tools should ensure further accountability of the members of the management body, senior management and key function holders.</p>	<p>required to draw up individual statements and a mapping that clarify the duties held by members of the management body, senior management and key function holders. Their individual duties are not always clearly or consistently laid down and there may be situations where two or more roles overlap or where areas of duties are overlooked because they do not fall neatly under the remit of a single person. The scope of each individual's duties should be well defined and no areas of duties should be left without ownership. Those tools should ensure further accountability of the members of the management body, senior management and key function holders.</p>	<p>the governance arrangements of institutions as part of the supervisory review and evaluation process. Notwithstanding the overall responsibility of the management body as a collegial body, institutions should be required to draw up individual statements and a mapping that clarify the duties <b>and responsibilities</b> held by members of the management body <b>in its management function</b>, senior management and <b>by</b> key function holders. Their individual duties <b>and responsibilities</b> are not always clearly or consistently laid down and there may be situations where two or more roles overlap or where areas of duties <b>and responsibilities</b> are overlooked because they do not fall neatly under the remit of a single person. The scope of each individual's duties <b>and responsibilities</b> should be well defined and no <del>areas of duties</del><b>tasks</b> should be left without ownership. Those tools should ensure further accountability of the members of the management body <b>in its management function</b>, senior management and key function holders. <b>Furthermore where Member States consider it necessary, they should be able to adopt or retain stricter requirements for such tools.</b></p>
52	(42) In order to safeguard financial stability, competent authorities should be able to take and implement decisions swiftly. In the context	(42) In order to safeguard financial stability, competent authorities should be able to take and implement decisions swiftly. In the context	<i>deleted</i>

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	of early intervention measures or resolution action, competent authorities and resolution authorities may consider it appropriate to remove or replace members of the management body or senior management. To take into account such situations, competent authorities should perform the suitability assessment of members of the management body or key function holders after those members of the management body or key function holders have taken up their position.	of early intervention measures or resolution action, competent authorities and resolution authorities may consider it appropriate to remove or replace members of the management body or senior management. To take into account such situations, competent authorities should perform the suitability assessment of members of the management body or key function holders after those members of the management body or key function holders have taken up their position.	
53	(43) Upon becoming bound by the output floor laid down in Regulation (EU) No 575/2013, the nominal amount of an institution's additional own funds requirement set by the institution's competent authority in accordance with Article 104(1), point (a), of Directive 2013/36/EU to address risks other than the risk of excessive leverage should not immediately increase as a result, all else being equal. Furthermore, in such case, the competent authority should review the institution's additional own funds requirement and assess, in particular, whether and to what extent such requirement captures model risk from the use of internal models by the institution. Where that is the case, the institution's additional own funds requirement should be regarded as overlapping with the risks captured by the output floor in the own funds requirement of the institution and, consequently, the competent authority should	(43) <del>Upon becoming bound by the output floor laid down in Regulation (EU) No 575/2013, the nominal amount of an institution's</del> <u>The</u> additional own funds requirement set by <del>the</del> <u>an</u> institution's competent authority in accordance with Article 104(1), point (a), of Directive 2013/36/EU to address risks other than the risk of excessive leverage should not <del>immediately increase</del> <u>be increased</u> as a result <del>of the</del> <u>institution becoming bound by the output floor laid down in Regulation (EU) No 575/2013</u> , all else being equal. Furthermore, <del>in</del> <u>such case</u> <del>upon the institution's becoming bound by the output floor</del> , the competent authority should review the institution's additional own funds requirement and assess, in particular, whether and to what extent such requirement captures <del>model risk</del> <u>risks of excessive variability or lack of comparability of risk weights</u> from the use of internal models	(43) Upon becoming bound by the output floor laid down in Regulation (EU) No 575/2013, the nominal amount of an institution's additional own funds requirement set by the institution's competent authority in accordance with Article 104(1), point (a), of Directive 2013/36/EU to address risks other than the risk of excessive leverage should not immediately increase as a result, all else being equal. Furthermore, in such case, the competent authority should review the institution's additional own funds requirement and assess, in particular, whether and to what extent such requirement captures model risk from the use of internal models by the institution. Where that is the case, the institution's additional own funds requirement should be regarded as overlapping with the risks captured by the output floor in the own funds requirement of the institution and, consequently, the competent authority should

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	reduce that requirement to the extent necessary to remove any such overlap for as long as the institution remains bound by the output floor.	by the institution. Where that is the case, the institution's additional own funds requirement should be regarded as overlapping with the risks captured by the output floor in the own funds requirement of the institution and, consequently, the competent authority should reduce that requirement to the extent necessary to remove any such overlap for as long as the institution remains bound by the output floor.	reduce that requirement to the extent necessary to remove any such overlap for as long as the institution remains bound by the output floor.
54	(44) Similarly, upon becoming bound by the output floor, the nominal amount of an institution's CET1 capital required under the systemic risk buffer should not increase where there has been no increase in the macroprudential or systemic risks associated with the institution. In such cases, the institution's competent or designated authority, as applicable, should review the calibration of the systemic risk buffer rates and make sure that they remain appropriate and do not double-count the risks that are already covered by virtue of the fact that the institution is bound by the output floor. More in general, competent and designated authorities, as applicable, should not impose systemic risk buffer requirements for risks which are already fully covered by the output floor.	(44) Similarly, upon becoming bound by the output floor, the nominal amount of an institution's CET1 capital required under the systemic risk buffer should not increase where there has been no increase in the macroprudential or systemic risks associated with the institution. In such cases, <u>it should be possible for</u> the institution's competent or designated authority, as applicable, <del>should to</del> review the calibration of the systemic risk buffer rates <del>and make sure</del> <u>if needed, to ensure</u> that they remain appropriate and do not double-count the risks that are already covered by virtue of the fact that the institution is bound by the output floor. <del>More in general</del> <u>EBA is mandated to issue guidelines on this review.</u> <u>As a rule</u> , competent and designated authorities, as applicable, should not impose systemic risk buffer requirements for risks which are already fully covered <u>by the output floor, regardless of whether or not an institution is bound</u> by the output floor.	(44) Similarly, upon becoming bound by the output floor, the nominal amount of an institution's CET1 capital required under the systemic risk buffer <del>should not</del> <b>could</b> increase <del>where</del> <b>although</b> there has <del>not been a corresponding</del> <b>been no</b> increase in the macroprudential or systemic risks associated with the institution. In such cases, the institution's competent or designated authority, as applicable, should review the calibration of the systemic risk buffer rates and make sure that they remain appropriate and do not double-count the risks that are already covered by virtue of the fact that the institution is bound by the output floor. <del>More in general, competent and designated authorities, as applicable, should not impose systemic risk buffer requirements for risks which are already fully covered by the output floor.</del>

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55	(45) Furthermore, when an institution designated as an ‘other systemically important institution’ becomes bound by the output floor, its competent or designated authority, as applicable, should review the calibration of the institution’s O-SII buffer requirement and make sure that it remains appropriate.	<i>deleted</i>	(45) Furthermore, when an institution designated as an ‘other systemically important institution’ becomes bound by the output floor, its competent or designated authority, as applicable, should review the calibration of the institution’s O-SII buffer requirement and make sure that it remains appropriate.
56	(46) To enable the timely and effective activation of the systemic risk buffer it is necessary to clarify the application of the relevant provisions and simplify and align the applicable procedures. Setting a systemic risk buffer should be possible for designated authorities in all Member States to enable the recognition of systemic risk buffer rates set by authorities in other Member States and to ensure that authorities are empowered to address systemic risks in a timely and effective manner. Recognition of a systemic risk buffer rate set by another Member State should require only a notification from the authority recognising the rate. To avoid unnecessary authorisation procedures where the decision to set a buffer rate results in a decrease or no change from any of the previously set rates, the procedure laid down in Article 131(15) of Directive 2013/36/EU needs to be aligned with the procedure laid down in Article 133(9) of	(46) To enable the timely and effective activation of the systemic risk buffer it is necessary to clarify the application of the relevant provisions and simplify and align the applicable procedures. Setting a systemic risk buffer should be possible for designated authorities in all Member States to enable the recognition of systemic risk buffer rates set by authorities in other Member States and to ensure that authorities are empowered to address systemic risks in a timely, <u>proportionate</u> and effective manner. Recognition of a systemic risk buffer rate set by another Member State should require only a notification from the authority recognising the rate. To avoid unnecessary authorisation procedures where the decision to set a buffer rate results in a decrease or no change from any of the previously set rates, the procedure laid down in Article 131(15) of Directive 2013/36/EU needs to be aligned with the	(46) To enable the timely and effective activation of the systemic risk buffer it is necessary to clarify the application of the relevant provisions and simplify and align the applicable procedures. Setting a systemic risk buffer should be possible for designated authorities in all Member States to enable the recognition of systemic risk buffer rates set by authorities in other Member States and to ensure that authorities are empowered to address systemic risks in a timely and effective manner. Recognition of a systemic risk buffer rate set by another Member State should require only a notification from the authority recognising the rate. To avoid unnecessary authorisation procedures where the decision to set a buffer rate results in a decrease or no change from any of the previously set rates, the procedure laid down in Article 131(15) of Directive 2013/36/EU needs to be aligned with the procedure laid down in Article 133(9) of

	Commission Proposal	EP Mandate	Council Mandate
	that Directive. The procedures laid down in Article 133(11) of that Directive should be clarified and made more consistent with the procedures applying for other systemic risk buffer rates, where relevant.	procedure laid down in Article 133(9) of that Directive. The procedures laid down in Article 133(11) of that Directive should be clarified and made more consistent with the procedures applying for other systemic risk buffer rates, where relevant.	that Directive. The procedures laid down in Article 133(11) <b>and (12)</b> of that Directive should be clarified and made more consistent with the procedures applying for other systemic risk buffer rates, where relevant.
56a		<u><i>(46a) When drafting regulatory technical standards, guidelines and Q&amp;As, EBA should pay due attention to the principle of proportionality and ensure that those legal acts can also be transposed by small and non-complex institutions without undue effort,</i></u>	
56b			<b>(47) To increase proportionality in the permission regime for the reduction of eligible liabilities instruments laid down in Regulation (EU) No 575/2013, which is also applicable to institutions and liabilities subject to the minimum requirement for own funds and eligible liabilities under Directive 2014/59/EU, institutions whose resolution plan provides for a winding up under normal insolvency proceedings should not be required to obtain the prior permission of the resolution authority to reduce eligible liabilities in those cases where the resolution authority has not set a minimum requirement for own funds and eligible liabilities that exceeds the</b>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>institution's own funds requirement as set out in Regulation (EU) No 575/2013 and Directive 2013/36/EU.</b>
57	HAVE ADOPTED THIS DIRECTIVE:	HAVE ADOPTED THIS DIRECTIVE:	HAVE ADOPTED THIS DIRECTIVE:
57a			<b>Part I 2021/0341 (COD) Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, and amending Directive 2014/59/EU</b>
58	Article 1 Amendments to Directive 2013/36/EU	Article 1 Amendments to Directive 2013/36/EU	Article 1 Amendments to Directive 2013/36/EU
59	Directive 2013/36/EU is amended as follows:	Directive 2013/36/EU is amended as follows:	Directive 2013/36/EU is amended as follows:
59a		<u><i>(-1) in Article 2(5), point 5 is replaced by the following:</i></u>	<b>(-1) in Article 2, paragraph 5 is amended as follows:</b>

	Commission Proposal	EP Mandate	Council Mandate
59b			(a) point( 5) is replaced by the following:
59c		<p>"</p> <p><u>(5) in Germany, the ‘Kreditanstalt für Wiederaufbau’, ‘Landwirtschaftliche Rentenbank’, ‘Bremer Aufbau-Bank GmbH’, ‘Hamburgische Investitions- und Förderbank’, ‘Investitionsbank Berlin’, ‘Investitionsbank des Landes Brandenburg’, ‘Investitionsbank Sachsen-Anhalt’, ‘Investitionsbank Schleswig-Holstein’, ‘Investitions- und Förderbank Niedersachsen – NBank’, ‘Investitions- und Strukturbank Rheinland-Pfalz’, ‘Landeskreditbank Baden-Württemberg – Förderbank’, ‘LfA Förderbank Bayern’, ‘NRW.BANK’, ‘Saarländische Investitionskreditbank AG’, ‘Sächsische Aufbaubank – Förderbank’, ‘Thüringer Aufbaubank’, undertakings which are recognised under the ‘Wohnungsgemeinnützigkeitsgesetz’ as bodies of State housing policy and are not mainly engaged in banking transactions, and undertakings recognised under that law as non-profit housing undertakings;</u></p> <p>"</p>	<p>"</p> <p>(5) in Germany, the ‘Kreditanstalt für Wiederaufbau’, ‘Landwirtschaftliche Rentenbank’, ‘Bremer Aufbau-Bank GmbH’, ‘Hamburgische Investitions- und Förderbank’, ‘Investitionsbank Berlin’, ‘Investitionsbank des Landes Brandenburg’, ‘Investitionsbank Sachsen-Anhalt’, ‘Investitionsbank Schleswig-Holstein’, ‘Investitions- und Förderbank Niedersachsen – NBank’, ‘Investitions- und Strukturbank Rheinland-Pfalz’, ‘Landeskreditbank Baden-Württemberg – Förderbank’, ‘LfA Förderbank Bayern’, ‘NRW.BANK’, ‘Saarländische Investitionskreditbank AG’, ‘Sächsische Aufbaubank – Förderbank’, ‘Thüringer Aufbaubank’, undertakings which are recognised under the ‘Wohnungsgemeinnützigkeitsgesetz’ as bodies of State housing policy and are not mainly engaged in banking transactions, and undertakings recognised under that law as non-profit housing undertakings;</p> <p>"</p>
59d			(b) point (24) is replaced by the following:

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
59e			" <b>(24) in the United Kingdom, National Savings and Investments (NS&amp;I), CDC Group plc, the Agricultural Mortgage Corporation Ltd, the Crown Agents for overseas governments and administrations, credit unions and municipal banks;</b> "
59f			<b>(c) the following point (25) is added:</b>
59g			" <b>(25) in Romania, the ‘Investment and Development Bank’;</b> "
60	(1) in Article 3, paragraph 1 is amended as follows:	(1) in Article 3, paragraph 1 is amended as follows:	(1) in Article 3, paragraph 1 is amended as follows:
61	(a) the following point (8a) is inserted:	(a) the following point (8a) is inserted:	(a) the following point (8a) is inserted:
62	‘	‘	‘



	Commission Proposal	EP Mandate	Council Mandate
	(8a) ‘management body in its management function’ means the management body acting in its role of directing effectively the institution and includes the persons who direct the business of the institution;;	(8a) ‘management body in its management function’ means the management body acting in its role of directing effectively the institution and includes the persons who direct the business of the institution;;	(8a) ‘management body in its management function’ means the management body acting in its role of directing <del>effectively</del> the institution and includes the persons who <b>effectively</b> direct the business of the institution;;
63	(b) point (9) is replaced by the following:	(b) point (9) is replaced by the following:	(b) point (9) is replaced by the following:
64	‘ (9) ‘senior management’ means those natural persons who exercise executive functions within an institution and are directly accountable to the institution’s management body but are not members of that body, and who are responsible for the day-to-day management of the institution under the direction of the management body of the institution;;	‘ (9) ‘senior management’ means those natural persons who exercise executive functions within an institution and are directly accountable to the institution’s management body but are not members of that body, and who are responsible for the day-to-day management of the institution under the direction of the management body of the institution;;	‘ (9) ‘senior management’ means those natural persons who exercise executive functions within an institution and are directly accountable to the institution’s management body but are not members of that body, and who are responsible for the day-to-day management of the institution <del>under the direction of the management body of the institution;</del>
65	(c) the following points (9a) to (9d) are inserted:	(c) the following points (9a) to (9d) are inserted:	(c) the following points (9a) to (9d) are inserted:
66	‘	‘	‘

	Commission Proposal	EP Mandate	Council Mandate
	(9a) ‘key function holders’ means persons who have significant influence over the direction of the institution but are not members of the management body, including the heads of internal control functions and the chief financial officer, where those heads or that officer are not members of the management body;	(9a) ‘key function holders’ means <del>persons who have significant influence over the direction of the institution but</del> <u>the heads of internal control functions and the chief financial officer, where those heads or that officer</u> are not members of the management body, <del>including the heads of internal control functions and the chief financial officer, where those heads or that officer are not members of the management body</del> <u>and the AML Compliance Officer referred to in Article 9(3) of Regulation [please insert reference – proposal for Anti-Money Laundering Regulation - COM/2021/420 final];</u>	(9a) ‘key function holders’ means persons who have significant influence over the direction of the institution but are not members of the management body, including the heads of internal control functions and the chief financial officer, where those heads or that officer are not members of the management body;
67	(9b) ‘chief financial officer’ means the person responsible for the financial resources management, financial planning and financial reporting of the institution;	(9b) ‘chief financial officer’ means the person <del>responsible</del> <u>with overall responsibility</u> for the financial resources management, financial planning and financial reporting of the institution;	(9b) ‘chief financial officer’ means the person <del>responsible</del> <u>who has overall responsibility</u> for the <b>institution’s</b> financial resources management, financial planning and financial reporting <del>of the institution;</del>
68	(9c) ‘heads of internal control functions’ means the persons at the highest hierarchical level responsible for effectively managing the day-to-day operation of the independent risk management, compliance and internal audit functions of the institution;	(9c) ‘heads of internal control functions’ means the persons at the highest hierarchical level responsible for effectively managing the day-to-day operation of the independent risk management, compliance and internal audit functions of the institution;	(9c) ‘ <del>heads of internal control functions</del> ’ means <del>the persons at the highest hierarchical level responsible for effectively managing the day-to-day operation of the independent risk management, compliance and internal audit functions of the institution;</del> ’;
69			

	Commission Proposal	EP Mandate	Council Mandate
	(9d) ‘internal control functions’ means risk management, compliance and internal audit functions;;	(9d) ‘internal control functions’ means risk management, compliance and internal audit functions;;	(9d) <b>‘heads of internal control functions’</b> means <del>risk management, compliance and the</del> <b>persons at the highest hierarchical level responsible for effectively managing the day-to-day operation of the internal audit control functions; of the institution;</b>
70	(d) point (11) is replaced by the following:	(d) point (11) is replaced by the following:	(d) point (11) is replaced by the following:
71	‘ (11) ‘model risk’ means model risk as defined in Article 4(1), point (52b), of Regulation (EU) No 575/2013;; ’	‘ (11) ‘model risk’ means model risk as defined in Article 4(1), point (52b), of Regulation (EU) No 575/2013;; ’	‘ (11) ‘model risk’ means model risk as defined in Article 4(1), point (52b), of Regulation (EU) No 575/2013;; ’
72	(e) the following point (29a) is inserted:	(e) the following point (29a) is inserted:	(e) the following point (29a) is inserted:
73	‘ (29a) ‘stand-alone institution in the EU’ means stand-alone institution in the EU as defined in Article 4(1), point (33a), of Regulation (EU) No 575/2013;; ’	‘ (29a) ‘stand-alone institution in the EU’ means stand-alone institution in the EU as defined in Article 4(1), point (33a), of Regulation (EU) No 575/2013;; ’	‘ (29a) ‘stand-alone institution in the EU’ means stand-alone institution in the EU as defined in Article 4(1), point (33a), of Regulation (EU) No 575/2013;; ’
74			

	Commission Proposal	EP Mandate	Council Mandate
	(f) the following point (47a) is inserted:	(f) the following point (47a) is inserted:	(f) the following point (47a) is inserted:
75	‘ (47a) ‘eligible capital’ means the eligible capital as defined in Article 4(1), point (71), of Regulation (EU) No 575/2013;’,	‘ (47a) ‘eligible capital’ means the eligible capital as defined in Article 4(1), point (71), of Regulation (EU) No 575/2013;’,	‘ (47a) ‘eligible capital’ means the eligible capital as defined in Article 4(1), point (71), of Regulation (EU) No 575/2013;’,
76	(g) the following points (66) to (69) are added:	(g) the following points (66) to (69) are added:	(g) the following points (66) to (69) are added:
77	‘ (66) ‘large institution’ means an institution as defined in Article 4(1), point (146), of Regulation (EU) No 575/2013;’,	‘ (66) ‘large institution’ means an institution as defined in Article 4(1), point (146), of Regulation (EU) No 575/2013;’,	‘ (66) ‘large institution’ means an institution as defined in Article 4(1), point (146), of Regulation (EU) No 575/2013;’,
78	(67) ‘relevant subsidiary’ means a material subsidiary as defined in Article 4(1), point (135), of Regulation (EU) No 575/2013 or a large subsidiary as defined in Article 4(1), point (147), of that Regulation;	(67) ‘relevant subsidiary’ means a material subsidiary as defined in Article 4(1), point (135), of Regulation (EU) No 575/2013 or a large subsidiary as defined in Article 4(1), point (147), of that Regulation;	<i>deleted</i>
79	(68) ‘periodic penalty payments’ means daily penalties, aimed at ending ongoing breaches and compelling legal or natural person to return to compliance with their obligations under this	(68) ‘periodic penalty payments’ means daily penalties, aimed at ending ongoing breaches and compelling legal or natural person to return to compliance with their obligations under	<del>(6867)</del> ‘periodic penalty payments’ means <del>daily penalties</del> <b>periodic pecuniary enforcement measures</b> , aimed at ending ongoing breaches <b>of national provisions</b>

	Commission Proposal	EP Mandate	Council Mandate
	Directive and Regulation (EU) No 575/2013;	<u><i>national provisions transposing</i></u> this Directive, <u><i>obligations under <del>and</del> Regulation (EU) No 575/2013, or obligations arising from a decision issued by the competent authority;</i></u>	<b>transposing this Directive, breaches of Regulation (EU) No 575/2013 or decisions issued by a competent authority based on those legal acts and compelling legal or natural person to return to compliance with their obligations under this Directive and Regulation (EU) No 575/2013 such requirements 2013.;</b>
80	(69) ‘environmental, social and governance risk’ means environmental, social and governance risk as defined in Article 4(1), point (52d), or Regulation (EU) No 575/2013;;	(69) ‘environmental, social and governance risk’ means environmental, social and governance risk as defined in Article 4(1), point (52d), or Regulation (EU) No 575/2013;;	<del>(69)</del> (68) ‘environmental, social and governance risk’ means environmental, social and governance (ESG) risk as defined in Article 4(1), point (52d), <del>or</del> of Regulation (EU) No 575/2013;’;
80a		<u><i>69a. "climate neutrality" means the overall climate neutrality objective set out in Article 2 of Regulation (EU) 2021/1119.</i></u>	
81	(2) in Article 4, paragraph 4 is replaced by the following:	(2) in Article 4, paragraph 4 is replaced by the following:	(2) in Article 4, paragraph 4 is replaced by the following:
82	4. Member States shall ensure that competent authorities have the expertise, resources,	4. Member States shall ensure that competent authorities have the expertise, resources,	4. Member States shall ensure that competent authorities have the expertise, resources,

	Commission Proposal	EP Mandate	Council Mandate
	operational capacity, powers and independence necessary to carry out the functions relating to prudential supervision, investigations and the powers to impose periodic penalty payments and penalties set out in this Directive and in Regulation (EU) No 575/2013.	operational capacity, powers and independence necessary to carry out the functions relating to prudential supervision, investigations and the powers to impose periodic penalty payments and penalties set out in this Directive and in Regulation (EU) No 575/2013.	operational capacity, powers and independence necessary to carry out the functions relating to prudential supervision, investigations and the powers to impose periodic penalty payments and penalties set out in this Directive and in Regulation (EU) No 575/2013.
83	For the purposes of preserving the independence of competent authorities in the exercise of their powers, Member State shall provide all the necessary arrangements to ensure that those competent authorities, including their staff and members of their governance bodies, can act independently and objectively, without seeking or taking instructions, or being subject to influence from supervised institutions, from any government of a Member State or body of the Union or from any other public or private body. These arrangements shall be without prejudice to the rights and obligations of the competent authorities as stemming from being part of the European system of financial supervision as stemming from Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 <sup>*1</sup> , the Single Supervisory Mechanism as stemming from Council Regulation (EU) No 1024/2013 of 15 October 2013 <sup>*2</sup> and Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 <sup>*3</sup> , for the Single Resolution Board as stemming from stemming from Regulation (EU) No	For the purposes of preserving the independence of competent authorities in the exercise of their powers, Member <del>State</del> <u>States</u> shall provide <del>all</del> the necessary arrangements to ensure that those competent authorities, including their staff and members of their governance bodies, can act independently and objectively, <u>and that those governance bodies are legally distinct from, and functionally independent of, other public and private bodies</u> without seeking or taking instructions, or being subject to influence from supervised institutions, from any government of a Member State or body of the Union or from any other public or private body. <del>These arrangements</del> <u>Member States</u> shall <del>be without prejudice to the rights and obligations of the competent authorities as stemming from being part of the European system of financial supervision as stemming from Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010<sup>*1</sup>, the Single Supervisory Mechanism as stemming from Council Regulation (EU) No 1024/2013 of 15 October 2013<sup>*2</sup> and Regulation (EU) No</del>	For the purposes of preserving the independence of competent authorities in the exercise of their powers, Member <del>State</del> <u>States</u> shall provide <del>all</del> the necessary arrangements to ensure that those competent authorities, including their staff and members of their governance bodies, can <b>exercise their supervisory powers</b> <del>act</del> independently and objectively, without seeking or taking instructions, <del>or being subject to influence</del> from supervised institutions, from any government of a Member State or body of the Union or from any other public or private body <b>without prejudice to arrangements under national law whereby the competent authorities are subject to public and democratic accountability</b> . These arrangements shall be without prejudice to the rights and obligations of the competent authorities as stemming from being part of the <b>international and</b> European <del>system</del> <u>systems</u> of financial supervision as stemming from Regulation (EU) No 1093/2010 <del>of the European Parliament and of the Council of 24 November 2010<sup>*1</sup></del> , the Single Supervisory

	Commission Proposal	EP Mandate	Council Mandate
	806/2014 of the European Parliament and of the Council of 15 July 2014 <sup>*4</sup> .	<del>468/2014 of the European Central Bank of 16 April 2014<sup>*3</sup>, for the Single Resolution Board as stemming from stemming from Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014<sup>*4</sup></del> : <u>ensure that members of the governance bodies are appointed for a fixed term, renewable once, based on objective, transparent and published criteria and can be dismissed only if they no longer meet the criteria of appointment or have incurred serious criminal convictions. The reasons for dismissal shall be publicly disclosed. Member States shall ensure that competent authorities publish their objectives, are accountable for the discharge of their duties in relation to those objectives and are subject to financial control which does not affect their independence. These arrangements shall be without prejudice to relevant arrangements under national law whereby the competent authorities are subject to public and democratic accountability</u>	Mechanism as stemming from Council Regulation (EU) No 1024/2013 of 15 October 2013 <sup>*2</sup> and Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 <sup>*3</sup> , for the Single Resolution Board <b>Mechanism</b> as stemming from <del>stemming from</del> Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 <sup>*4</sup> .
84	Member States shall, in particular, ensure that competent authorities have in place all the necessary arrangements to prevent conflicts of interests of their staff and members of their governance bodies. For those purposes, Member States shall lay down rules proportionate to the role and responsibilities of those staff and members of the governance bodies, and at a minimum prohibiting them	Member States shall, in particular, ensure that competent authorities have in place all the necessary arrangements to prevent conflicts of interests of their staff and members of their governance bodies. For those purposes, Member States shall lay down rules proportionate to the role and responsibilities of those staff and members of the governance bodies, and at a minimum prohibiting them	Member States shall, <del>in particular,</del> ensure that competent authorities have in place <del>all the</del> necessary arrangements to prevent conflicts of interests of their staff and members of their governance bodies. <del>For those purposes</del> <b>At a minimum</b> , Member States shall <del>lay down</del> rules proportionate to the role and responsibilities of those staff and members of the governance bodies, and at a minimum

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	from:	from:	<del>prohibiting them from</del> <b>ensure that:</b>
84a			<b>(-a) The members of staff directly involved in the supervision of institutions, the members of staff who have access to market-sensitive informations and the members of the competent authority's governance bodies are prohibited from trading in financial instruments issued by or referenced to the institutions supervised by the competent authorities, their direct or indirect parent undertakings, subsidiaries or affiliates, with the exemption of:</b>
84b			<b>(i) instruments managed by third parties provided that the owners of the instruments are precluded from intervening in the management of the portfolio; and</b>
84c			<b>(ii) investments in collective investment undertakings provided that they do not predominantly invest in instruments issued by or referenced to the above-mentioned undertakings;</b>
85	(a) trading in financial instruments issued by	(a) trading in financial instruments issued by	<del>(a)(b) trading in financial instruments issued</del>



	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	or referenced to the institutions supervised by the competent authorities, their direct or indirect parent undertakings, subsidiaries or affiliates;	or referenced to the institutions supervised by the competent authorities, their direct or indirect parent undertakings, subsidiaries or affiliates;	<del>by or referenced to the institutions supervised by the competent authorities, their direct or indirect parent undertakings, subsidiaries or affiliates</del> <b>the members of the competent authority's governance bodies are subject to a declaration of interest. The declaration shall include information on the member's holdings in the form of stocks, equities, bonds, mutual funds, investment funds, mixed-type funds, hedge funds and exchange traded funds, that may raise conflict of interest concerns. The members shall submit the declaration of interest on an annual basis. The declaration of interest shall be without prejudice to any requirement to submit a wealth declaration under applicable national rules;</b>
86	(b) following the end of their employment at the competent authority, being hired by or accepting any kind of contractual agreement for the provision of professional services with any of the following:	(b) following the end of their employment at the competent authority, being hired by or accepting any kind of contractual agreement for the provision of professional services with any of the following:	<del>(b)</del> <b>(c) following the end of their employment for a period of time ("cooling off period"), members of staff directly involved in the supervision of institutions and the members of the governance bodies of the competent authority, are prohibited from being hired by or from accepting any kind of contractual agreement for the provision of professional services with any of the following:</b>
87	(i) institutions they have directly supervised, including their direct or indirect parent	(i) institutions they have directly supervised, including their direct or indirect parent	<del>(i) institutions they have directly supervised, including their direct or indirect parent</del>

	Commission Proposal	EP Mandate	Council Mandate
	undertakings, subsidiaries or affiliates, over at least the two preceding years from the date when taking up any new role;	undertakings, subsidiaries or affiliates, over at least the <del>two</del> preceding <del>years</del> <u>year</u> from the date when taking up any new role <u>for members of the governance bodies and the preceding six months for staff</u> ;	<del>undertakings, subsidiaries or affiliates, over at least the two preceding years from the date when taking up any new role</del> <b>in relation to which the member of staff or the member of the governance body has been directly involved with for the purposes of supervision or decision-making, respectively, as well as their direct or indirect parent undertakings, subsidiaries or affiliates;</b>
88	(ii) firms that provide services to any of the undertakings referred to in point (i) that were directly supervised over at least the two preceding years from the date when taking up any new role, unless they are strictly precluded from taking part in any provision of those services while the prohibition referred to herein remains in force.	(ii) firms that provide services to any of the undertakings referred to in point (i) that were directly supervised over at least the <del>two</del> preceding <del>years</del> <u>year</u> from the date when taking up any new role <u>for members of the governance bodies and the preceding six months for staff</u> , unless they are strictly precluded from taking part in any provision of those services while the prohibition referred to herein remains in force.;	(ii) firms that provide services- to any of the undertakings referred to in point (i) <del>that were directly supervised over at least the two preceding years from the date when taking up any new role, unless they are,</del> <b>unless the relevant member of the competent authority's staff or governance body is strictly precluded from taking part in any provision of those services while the prohibition referred to herein remains in force.</b>
88a		<u>(iia) direct competitors of institutions they have directly supervised, including their direct or indirect parent undertakings, subsidiaries or affiliates, over at least the six months from the date when taking up any new role for members of the management bodies and the preceding three months for staff;</u>	

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
88b		<i>deleted</i>	<b>(iia) Where a member referred to in point (a) owns financial instruments that may give rise to conflicts of interest at the time of being hired or appointed or at any time thereafter, the competent authority shall have the power to require on a case-by-case basis that those instruments be sold or disposed of within a reasonable time. Competent authorities shall also have the power to allow on a case-by-case basis that those members referred to in point (a) sell or dispose of financial instruments that they owned at the time of being hired or appointed.</b>
88c			<b>(iib) For the purposes of paragraph 4 point (c), Member States shall lay down rules proportionate to the role and responsibilities of the affected individual.</b>
88d			<b>(iic) The cooling off period shall start from the date on which the direct involvement in the supervision of the institution ceased and its length shall be no less than six months for members of staff directly involved in the supervision of institutions and no less than twelve months for the members of the competent authority's governance bodies.</b>

	Commission Proposal	EP Mandate	Council Mandate
88e			(iid) Member States may subject the members referred to in point (a) to a cooling-off period in the event of hires by direct competitors of one of the undertakings referred to in point (c)(i). For these purposes, the length of the cooling off period shall be no less than three months for members of staff directly involved in the supervision of the competing institutions and no less than six months for the members of the competent authority's governance bodies.
88f		<u>(iic) companies conducting lobbying and advocacy vis-à-vis the competent authority on matters for which they were responsible during their employment with the competent authority after the expiry of six months from the date on which their responsibilities for these matters ceased.</u>	
88g		<u>EBA, in close collaboration with the Single Supervisory Mechanism and taking into account the respective ECB rules, shall issue guidelines in accordance with Article 16 of Regulation (EU) No 1093/2010 by 31 December 2024 on conditions which allow competent authorities to waive, increase or decrease the cooling off periods referred to in</u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u>points (i) and (ii) for specific members of the management governance bodies and staff.</u>	
89	Members of staff and of governance bodies subject to the prohibitions provided for in the third subparagraph, point (b), shall be entitled to an appropriate compensation for the inability to take up a prohibited role.	Members of staff and of governance bodies subject to the prohibitions provided for in the third subparagraph, point (b), shall be entitled to an appropriate compensation for the inability to take up a prohibited role.	<i>deleted</i>
89a		<u>Member States shall lay down rules to manage the conflicts of interests that arise for members of staff and of governance bodies between the date of their resignation and the date of joining one of the firms referred to in point (b) of the third subparagraph. These rules shall, in particular, ensure that those members of staff or of management bodies have limited access to confidential or sensitive information in relation to supervised institutions.</u>	
89b		<u>Prior to the appointment of a staff member and members of governance bodies, competent authorities shall assess whether there is a conflict of interests resulting from the candidate's previous occupational activities, declaration of financial interests or close personal relationship to members of the</u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u><a href="#">Management Board of supervised institutions.</a></u>	
90	EBA shall issue guidelines addressed to the competent authorities, in accordance with Article 16 of Regulation (EU) No 1093/2010, on the prevention of conflicts of interests in and independence of competent authorities, taking into account international best practices, for a proportionate application of this Article.’;	EBA shall issue guidelines addressed to the competent authorities, in accordance with Article 16 of Regulation (EU) No 1093/2010, on the prevention of conflicts of interests in and independence of competent authorities, taking into account international best practices, for a proportionate application of this Article.’;	<i>deleted</i>
91	_____	_____	_____
92	*1 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).	*1 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).	*1 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).
93	*2 Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287,29.10.2013, p. 63).	*2 Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287,29.10.2013, p. 63).	*2 Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287,29.10.2013, p. 63).

	Commission Proposal	EP Mandate	Council Mandate
94	*3 Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (ECB/2014/17) (OJ L 141, 14.5.2014, p. 1).	*3 Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (ECB/2014/17) (OJ L 141, 14.5.2014, p. 1).	*3 Regulation (EU) No 468/2014 of the European Central Bank of 16 April 2014 establishing the framework for cooperation within the Single Supervisory Mechanism between the European Central Bank and national competent authorities and with national designated authorities (SSM Framework Regulation) (ECB/2014/17) (OJ L 141, 14.5.2014, p. 1).
95	*4Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).	*4Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).	*4Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (OJ L 225, 30.7.2014, p. 1).
95a			<b>(2a) in Article 4, the following paragraph 4a is inserted:</b>
95b			"

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>4a. By way of derogation from the third and fourth subparagraphs of paragraph 4, Member States may apply shorter cooling-off periods for all or part of the members of staff directly involved in the supervision of institutions when the minimum length of six months or three months in case of direct competitors :</b>
95c			<b>(a) unduly restricts the ability of the competent authority to hire new members of staff with the adequate or necessary skills for the performance of its supervisory functions, in particular taking into account the small size of the domestic labour market; or</b>
95d			<b>(b) constitutes a breach of any relevant fundamental right recognised in the constitution of the Member State, the European Charter of Human Rights, or of any relevant workers' rights as set out in the labour laws of the Member State.;</b> "
95e			
95f			



	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>(2b) By way of derogation from the third and fourth subparagraphs of paragraph 4, Member States may apply shorter cooling-off periods for all or part of the members of staff directly involved in the supervision of institutions when the minimum length of six months or three months in case of direct competitors :</b>
95g			<b>(2b) In Article 4, the following paragraph 9 is inserted:</b>
95h			" <b>9 For the purposes of this Article, the following shall apply:</b>
95i			<b>(a) ‘members of staff directly involved in the supervision of institutions’ means staff of the competent authority whose primary responsibility is to perform the regular assessment and monitoring of one or several specific institutions’ compliance with the prudential requirements that apply to them in accordance with this Directive and Regulation (EU) No 575/2013;</b>
95j			

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>(b) ‘members of the competent authority’s governance bodies’ means individuals that form part of collective decision-making bodies that are, regarding the exercise of the competent authority’s supervisory powers, vested with the power to:</b>
95k			<b>(i) exercise executive functions within the relevant competent authority and who are responsible for its management; or</b>
95l			<b>(ii) take decisions .</b>
95m			<b>(c) references to members of the competent authority’s governance bodies shall be understood to include, as the case may be, the individual function holders and officers of the authority that are vested with analogous powers as those referred to herein for collective decision-making bodies;</b>
95n			<b>(d) ‘market-sensitive information’ means non-public information of a precise nature which, if made public, is likely to have a significant effect on the price of assets or prices in the financial markets.’;</b>

	Commission Proposal	EP Mandate	Council Mandate
			"
95o		<u><i>(2a) In Article 8a(4), the following subparagraphs are added:</i></u>	
95p		" <u><i>By way of derogation from paragraph 1 of this Article, based on the application received in accordance with that paragraph and the information received in accordance with Article 95a of Directive 2014/65/EU, the competent authority may, after receiving a request from the undertaking, decide to waive the requirement to obtain an authorisation as a credit institution in accordance with Article 8 of this Directive for an undertaking referred to in that paragraph. The waiver shall not be applied where the undertaking is identified as a credit institution in accordance with Article 4(1), point (b)(iii), of Regulation (EU) No 575/2013.</i></u>	
95q		<u><i>When deciding whether to apply the waiver referred to in the second subparagraph, the competent authority shall consider an opinion to be delivered by the EBA within one month from the notification by the competent authority of such request and the following</i></u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u>elements:</u>	
95r		<u>(a) where the undertaking is part of a group, the group structure, the booking practices prevailing within the group and the allocation of assets across the group entities;</u>	
95s		<u>(b) the nature, size and complexity of the activities carried out by the undertaking in the Member State where it is established and in the Union as a whole;</u>	
95t		<u>(c) the importance of, and systemic risk posed by, the activities performed by the undertaking in the Member State where it is established and in the Union as a whole.</u>	
95u		<u>The competent authority shall notify its decision to the undertaking and shall publish it, together with the EBA opinion, on the EBA website. Where the decision deviates from the opinion provided by the EBA, the competent authority shall state the reasons for the deviation in its decision. The decision shall be re-assessed every 3 years.’;</u> "	

	Commission Proposal	EP Mandate	Council Mandate
95v		<u><i>(2b) In Article 8a, the following paragraph is added:</i></u>	
95w		" <u><i>6a. EBA shall develop draft regulatory technical standards to specify further the elements that need to be considered by a competent authority when deciding to grant a waiver in accordance with paragraph 4 of this Article.</i></u>	
95x		<u><i>EBA shall submit those draft regulatory technical standards to the Commission by [12 months from the date of entry into force of this amending Directive].</i></u>	
95y		<u><i>Power is delegated to the Commission to supplement this Directive by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.</i></u> ;	"
96			

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	(3) In Article 18 the following point (g) is added:	(3) In Article 18 the following point (g) is added:	(3) In Article 18 the following point (g) is added:
97	‘ (g) meets all of the following conditions:	‘ (g) meets all of the following conditions:	‘ (g) meets all of the following conditions:
98	(i) it has been determined to be failing or likely to fail in accordance with Article 32(1), point (a) of Directive 2014/59/EU or in accordance with Article 18(1), point (a), of Regulation (EU) No 806/2014;	(i) it has been determined to be failing or likely to fail in accordance with Article 32(1), point (a) of Directive 2014/59/EU or in accordance with Article 18(1), point (a), of Regulation (EU) No 806/2014;	(i) it has been determined to be failing or likely to fail in accordance with Article 32(1), point (a) of Directive 2014/59/EU or in accordance with Article 18(1), point (a), of Regulation (EU) No 806/2014;
99	(ii) the resolution authority considers that the condition in Article 32(1), point (b) of Directive 2014/59/EU or in Article 18(1), point (b), of Regulation (EU) No 806/2014 is met with respect to that credit institution;	(ii) the resolution authority considers that the condition in Article 32(1), point (b) of Directive 2014/59/EU or in Article 18(1), point (b), of Regulation (EU) No 806/2014 is met with respect to that credit institution;	(ii) the resolution authority considers that the condition in Article 32(1), point (b) of Directive 2014/59/EU or in Article 18(1), point (b), of Regulation (EU) No 806/2014 is met with respect to that credit institution;
100	(iii) the resolution authority considers that the condition in Article 32(1), point (c) of Directive 2014/59/EU or in Article 18(1), point (c), of Regulation (EU) No 806/2014 is not met with respect to that credit institution.;	(iii) the resolution authority considers that the condition in Article 32(1), point (c) of Directive 2014/59/EU or in Article 18(1), point (c), of Regulation (EU) No 806/2014 is not met with respect to that credit institution.;	(iii) the resolution authority considers that the condition in Article 32(1), point (c) of Directive 2014/59/EU or in Article 18(1), point (c), of Regulation (EU) No 806/2014 is not met with respect to that credit institution.;
101			

	Commission Proposal	EP Mandate	Council Mandate
	(4) Article 21a is amended as follows:	(4) Article 21a is amended as follows:	(4) Article 21a is amended as follows:
102	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:
103	<p>1. Parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies shall seek approval in accordance with this Article. Other financial holding companies or mixed financial holding companies shall seek approval in accordance with this Article where they are required to comply with this Directive or Regulation (EU) No 575/2013 on a sub-consolidated basis.</p>	<p>1. Parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies shall seek approval in accordance with this Article. Other financial holding companies or mixed financial holding companies shall seek approval in accordance with this Article where they are required to comply with this Directive or Regulation (EU) No 575/2013 on a sub-consolidated basis.</p>	<p>1. Parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies shall seek approval in accordance with this Article. Other financial holding companies or mixed financial holding companies shall seek approval in accordance with this Article where they are required to comply with this Directive or Regulation (EU) No 575/2013 on a sub-consolidated basis <b>or where they are designated as responsible to ensure the group's compliance with prudential requirements on a consolidated basis in accordance with paragraph 4.</b></p>
104	Competent authorities shall perform a review of the parent undertakings of an institution, or of the parent undertakings of an entity requesting an authorisation pursuant to Article 8, in order to detect the presence or not of an undertaking complying with the criteria to be	Competent authorities shall <del>perform a</del> <u>regularly</u> review <del>of</del> the parent undertakings of an institution, or <del>of</del> the parent undertakings of an entity requesting an authorisation pursuant to Article 8, in order to <del>detect the presence or not of</del> <u>verify whether the institution or entity</u>	Competent authorities shall, <b>on a regular basis, and at least annually , perform a review</b> <del>perform a review of the parent undertakings of an institution, or of the parent undertakings of an entity requesting an</del> authorisation pursuant to Article 8, in order to

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	considered as a parent financial holding company in a Member State, a parent mixed financial holding company in a Member State, an EU parent financial holding company or an EU parent mixed financial holding company.	<i>requesting authorisation has correctly identified</i> an undertaking <i>complying that complies</i> with the criteria to be considered as a parent financial holding company in a Member State, a parent mixed financial holding company in a Member State, an EU parent financial holding company or an EU parent mixed financial holding company.	<del>detect the presence or not of an institution, in order to verify if the institution, the entity requesting authorisation or the designated entity has correctly identified any</del> undertaking complying with the criteria to be considered as a parent financial holding company in a Member State, a parent mixed financial holding company in a Member State, an EU parent financial holding company or an EU parent mixed financial holding company.
105	For the purposes of the second sub-paragraph, where the parent companies are located in other Member States than the Member State in which the institution, or the entity requesting an authorisation pursuant to Article 8, is established, competent authorities of those two Member States shall cooperate closely to perform the review.	For the purposes of the second sub-paragraph, where the parent <i>companies undertakings</i> are located in other Member States than the Member State in which the institution, or the entity requesting an authorisation pursuant to Article 8, is established, competent authorities of those two Member States shall cooperate closely to perform the review.	For the purposes of the second sub-paragraph, where the parent <del>companies</del> <b>undertakings</b> are located in other Member States than the Member State in which the institution, or the entity requesting an authorisation pursuant to Article 8, is established, competent authorities of those two Member States shall cooperate closely to perform the review.
106	Competent authorities shall publish the outcome of the review referred to in the second sub-paragraph.;	Competent authorities shall publish <del>the outcome of the review referred to in the second sub-paragraph</del> <i>and regularly update a list of all identified and designated financial holding companies and mixed financial holding companies in their Member State that are subject to approval in accordance with the first subparagraph.</i> ;	Competent authorities shall publish <del>the outcome of the review referred to in the second sub-paragraph</del> <b>on their websites and update on an annual basis, a list of financial holding companies and mixed financial holding companies approved, designated or exempted from approval in the Member State in accordance with this Article. Where an exemption has been granted the list shall also name the credit institution or financial</b>



	Commission Proposal	EP Mandate	Council Mandate
			<b>holding company that has been designated in accordance with paragraph 4 as responsible to ensure the group's compliance with prudential requirements on a consolidated basis.';</b>
107	(b) paragraph 2 is amended as follows:	(b) paragraph 2 is amended as follows:	(b) paragraph 2 is amended as follows:
107a		<u><i>(-i) in the first subparagraph, the introductory part is replaced by the following:</i></u>	
107b		<u><i>" For the purposes of paragraph 1, financial holding companies and mixed financial holding companies referred to therein shall provide the relevant consolidating supervisor and, where different, the competent authority in the Member State where they are established with the following information:</i></u> "	
108	(i) in the first subparagraph, point (b) is replaced by the following:	(i) in the first subparagraph, point (b) is replaced by the following:	(i) <del>in the first subparagraph, point (b)</del> is replaced by the following:
108a			

	Commission Proposal	EP Mandate	Council Mandate
			<p>2. For the purposes of paragraph 1, financial holding companies and mixed financial holding companies referred to therein shall provide the consolidating supervisor determined in accordance with Article 111 and, where different, the competent authority in the Member State where they are established with the following information:</p>
108b			<p>(a) the structural organisation of the group of which the financial holding company or the mixed financial holding company is part, with a clear indication of its subsidiaries and, where applicable, parent undertakings, and the location and types of activities undertaken by each of the entities within the group;</p>
109	<p>(b) information regarding the nomination of at least two persons effectively directing the financial holding company or mixed financial holding company and compliance with the requirements set out in Article 91(1);;</p>	<p>(b) information regarding the nomination of at least two persons effectively directing the financial holding company or mixed financial holding company and compliance with the requirements set out in Article 91(1);;</p>	<p>(b) information regarding- the nomination of at least two persons effectively directing the financial holding company or mixed financial holding company, <b>and the</b> <del>and</del> compliance with the requirements set out in Article 91(1);;</p>
109a			

	Commission Proposal	EP Mandate	Council Mandate
			(c) information regarding compliance with the criteria set out in Article 14 concerning shareholders and members, where the financial holding company or mixed financial holding company has a credit institution as its subsidiary;
109b			(d) the internal organisation and distribution of tasks within the group;
109c			(e) any other information that may be necessary to carry out the assessments referred to in paragraphs 3 and 4 of this Article.’;
110	(ii) the second subparagraph is replaced by the following:	(ii) the second subparagraph is replaced by the following:	(ii) the second subparagraph is replaced by the following:
111	Where the approval of a financial holding company or mixed financial holding company takes place concurrently with the assessment referred to in Article 22 and Article 27a, the competent authority for the purposes of that Article shall coordinate, as appropriate, with	Where the approval <u>or the exemption from approval</u> of a financial holding company or mixed financial holding company <u>referred to in paragraphs 3 and 4</u> takes place concurrently with the assessment referred to in <u>Article 8</u> , Article 22 <del>and</del> Article 27a, the competent	Where the approval <b>or the exemption from approval</b> of a financial holding company or mixed financial holding company <b>referred to in paragraphs 3 and 4</b> takes place concurrently with the assessment referred to in <b>Article 8, Article 22 or</b> <del>22 and</del> Article 27a, the

	Commission Proposal	EP Mandate	Council Mandate
	the consolidating supervisor and, where different, the competent authority in the Member State where the financial holding company or mixed financial holding company is established. In that case, the assessment period referred to in Article 22(3), second subparagraph, and Article 27a(6) shall be suspended for a period exceeding 20 working day until the procedure set out in this Article is complete.;	authority for the purposes of that Article shall coordinate, as appropriate, with the consolidating supervisor and, where different, the competent authority in the Member State where the financial holding company or mixed financial holding company is established. <del>In that case,</del> The assessment period referred to in Article <del>22(3)</del> 22(2), second subparagraph, and Article 27 <del>a(6)</del> a(3) shall be suspended <del>for a period exceeding 20 working day</del> until the procedure set out in this Article is complete.;	competent authority for the purposes of <del>that Article</del> those Articles shall coordinate, as appropriate, with the consolidating supervisor and, where different, the competent authority in the Member State where the financial holding company or mixed financial holding company is established. <del>In that case,</del> The assessment period referred to in Article <del>22(3)</del> 22(2), second subparagraph, <del>and</del> in Article 27 <del>a(6)</del> a(3) shall be suspended <del>for a period exceeding 20 working day</del> until the procedure set out in this Article is complete.;
111a		<u>(ba) in paragraph 3, point (c) is replaced by the following:</u>	(c) in paragraph 3 the point (c) is replaced by the following:
111b		" <u>(c) the criteria regarding shareholders and members of credit institutions set out in Article 14 and the requirements laid down in Article 121 are complied with.</u> "	" (c) the criteria regarding shareholders and members of credit institutions set out in Article 14 and the requirements laid down in Article 121 are complied with.; "
111c			(d) in paragraph 4 the first subparagraph is replaced by the following :

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
111d			" <b>4. The financial holding company or mixed financial holding company may seek exemption from approval under this Article which shall be granted where all of the following conditions are met:</b>
111e			<b>(a) the financial holding company's principal activity is to acquire holdings in subsidiaries or, in the case of a mixed financial holding company, its principal activity with respect to institutions or financial institutions is to acquire holdings in subsidiaries;</b>
111f			<b>(b) the financial holding company or mixed financial holding company has not been designated as a resolution entity in any of the group's resolution groups in accordance with the resolution strategy determined by the relevant resolution authority pursuant to Directive 2014/59/EU;</b>
111g			<b>(c) a subsidiary credit institution or a subsidiary financial holding company or mixed financial holding company approved in accordance with this Article is designated</b>

	Commission Proposal	EP Mandate	Council Mandate
			as responsible to ensure the group's compliance with prudential requirements on a consolidated basis and is given all the necessary means and legal authority to discharge those obligations in an effective manner;
111h			(d) the financial holding company or mixed financial holding company does not engage in taking management, operational or financial decisions affecting the group or its subsidiaries that are institutions or financial institutions;
111i			(e) there is no impediment to the effective supervision of the group on a consolidated basis.'; "
111j		<i><u>(bb) the following paragraph 4a is inserted:</u></i>	(e) the following paragraph 4a is added:
111k		" <i><u>4a. Without prejudice to paragraph 4, the consolidating supervisor may allow on a case-by-case basis financial holding companies or mixed financial holding companies which are</u></i>	" 4a. Without prejudice to paragraph 4, the consolidating supervisor may allow on a case-by-case basis financial holding companies or mixed financial holding

	Commission Proposal	EP Mandate	Council Mandate
		<u><i>exempted from approval to be excluded from the perimeter of consolidation provided that the following conditions are met:</i></u>	companies which are exempted from approval to be excluded from the perimeter of consolidation provided that the following conditions are met:
1111		<u><i>(i) the exclusion does not affect the effectiveness of the supervision on the subsidiary credit institution, or the group;</i></u>	(i) the exclusion does not affect the effectiveness of the supervision on the subsidiary credit institution, or the group;
111m		<u><i>(ii) the financial holding company or mixed financial holding company has no equity exposures other than the equity exposure in the subsidiary credit institution or in the intermediate parent financial holding company or mixed financial holding company controlling the subsidiary credit institution;</i></u>	(ii) the financial holding company or mixed financial holding company has no equity exposures other than the equity exposure in the subsidiary credit institution or in the intermediate parent financial holding company or mixed financial holding company controlling the subsidiary credit institution;
111n		<u><i>(iii) the financial holding company or mixed financial holding company does not make substantial recourse to leverage and does not have exposures which are not related to its ownership in the subsidiary credit institution or in the intermediate parent financial holding company or mixed financial holding company controlling the subsidiary credit institution.</i></u>	(iii) the financial holding company or mixed financial holding company does not make substantial recourse to leverage and does not have exposures which are not related to its ownership in the subsidiary credit institution or in the intermediate parent financial holding company or mixed financial holding company controlling the subsidiary credit institution ;

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
111o			<b>(f) Paragraph 7 is replaced by the following:</b>
111p			" <b>7. Where the consolidating supervisor has established that the conditions set out in paragraph 4, first subparagraph, are no longer met, the financial holding company or mixed financial holding company shall seek approval in accordance with this Article. Where the consolidating supervisor has established that the conditions set out in paragraph 4, third subparagraph, are no longer met, the consolidating supervisor shall require full consolidation of the financial holding company or mixed financial holding company.</b> "
111q			<b>(g) paragraph 8 is amended as follows:</b>
111r			<b>(i) the first subparagraph is replaced by the following:</b>
111s			"



	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<p><b>Where the consolidating supervisor is different from the competent authority in the Member State where the financial holding company or the mixed financial holding company is established, the two authorities shall work together in full consultation for the purpose of taking decisions on the approval, exemption from approval and exclusion from the perimeter of consolidation referred to in paragraphs 3 and 4, and the supervisory measures referred to in paragraphs 6 and 7. The consolidating supervisor shall prepare an assessment on the matters referred to in paragraphs 3, 4, 6 and 7, as applicable, and shall forward that assessment to the competent authority in the Member State where the financial holding company or the mixed financial holding company is established. The two authorities shall do everything within their powers to reach a joint decision within two months of receipt of that assessment.;</b></p> <p style="text-align: right;">"</p>
111t			<p><b>(ii) the following second subparagraph is added:</b></p>
111u			<p>"</p> <p><b>Where the consolidating supervisor is</b></p>

	Commission Proposal	EP Mandate	Council Mandate
			different from the competent authority in the Member State where the financial holding company or the mixed financial holding company is established, the joint decision shall also apply under the national law of the Member State where the financial holding company or mixed financial holding company is established.;
111v		<u>(bc) in paragraph 10, the first subparagraph is replaced by the following:</u>	(h) in the paragraph 10 the first subparagraph is replaced by the following:
111w		" <u>10. Where approval or exemption from approval of a financial holding company or mixed financial holding company pursuant to this Article is refused, the consolidating supervisor shall notify the applicant of the decision and the reasons therefor within four months of receipt of the application, or where the application is incomplete, within four months of receipt of the complete information.</u>	" 10. Where approval or exemption from approval of a financial holding company or mixed financial holding company pursuant to this Article is refused, the consolidating supervisor shall notify the applicant of the decision and the reasons therefore within four months of receipt of the application, or where the application is incomplete, within four months of receipt of the complete information required for the decision.;
112	(5) in Article 21b(6), the following second and third subparagraphs are added:	(5) in Article 21b(6), the following second and third subparagraphs are added:	(5) in Article 21b(6), the following second and third subparagraphs are added:

	Commission Proposal	EP Mandate	Council Mandate
113	‘ EBA shall develop draft implementing technical standards to specify the uniform formats, definitions and the IT solutions to be applied in the Union for the reporting of the information referred to in the first subparagraph.	‘ EBA shall develop draft implementing technical standards to specify the uniform formats, definitions and the IT solutions to be applied in the Union for the reporting of the information referred to in the first subparagraph.	‘ EBA shall develop draft implementing technical standards to specify the uniform formats, definitions and the IT solutions to be applied in the Union for the reporting of the information referred to in the first subparagraph.
114	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 12 months from date of entry into force of this amending Directive].
115	Power is conferred on the Commission to adopt the implementing technical standards referred to in the second subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.;	Power is conferred on the Commission to adopt the implementing technical standards referred to in the second subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.;	Power is conferred on the Commission to adopt the implementing technical standards referred to in the second subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.;
116	(6) the following new Article 21c is inserted:	(6) the following new Article 21c is inserted:	<i>deleted</i>
117	,	,	

	Commission Proposal	EP Mandate	Council Mandate
	Article 21c Requirement to establish a branch for the provision of banking services by third country undertakings and exception for the reverse solicitation of services	Article 21c Requirement to establish a branch for the provision of banking services by third country undertakings and exception for the reverse solicitation of services	<i>deleted</i>
118	1. Member States shall require undertakings established in a third country as referred to in Article 47(1) and (2) to establish a branch in their territory and apply for authorisation in accordance with Title VI to commence or continue conducting the activities referred to in paragraph (1) of that Article in the relevant Member State.	1. Member States shall require undertakings established in a third country as referred to in Article 47(1) <del> and (2)</del> to establish a branch in their territory and apply for authorisation in accordance with Title VI to commence or continue conducting the activities referred to in paragraph <del>(1)</del> <u>I</u> of that Article in the relevant Member State.	<i>deleted</i>
119	2. Where a retail client, an eligible counterparty or a professional client within the meaning of Sections I and II of Annex II to Directive 2014/65/EU established or situated in the Union approaches an undertaking established in a third country at its own exclusive initiative for the provision of any service or activity referred to in Article 47(1), the requirement laid down in paragraph 1 of this Article shall not apply to the provision to that person of the relevant service or activity, including a relationship specifically related to the provision of that service or activity. Without prejudice to intragroup relationships, where a third country undertaking, including	2. <del>Where a retail client, an eligible counterparty or a professional client within the meaning of Sections I and II of Annex II to Directive 2014/65/EU established or situated in the Union approaches an undertaking established in a third country at its own exclusive initiative for the provision of any service or activity referred to in Article 47(1),</del> The requirement laid down in paragraph 1 of this Article shall not apply <del>to the provision to that person of the relevant service or activity, including a relationship specifically related to the provision of that</del> <u>where the undertaking established in the third country provides the relevant</u> service or activity. <del>Without prejudice</del>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	through an entity acting on its behalf or having close links with such third-country undertaking or any other person acting on behalf of such undertaking, solicits clients or potential clients in the Union, it shall not be deemed to be a service provided at the own exclusive initiative of the client.	<del>to intragroup relationships, where a third country undertaking, including through an entity acting on its behalf or having close links with such third-country undertaking or any other person acting on behalf of such undertaking, solicits clients or potential clients to a customer or counterparty established or situated in the Union, it shall not be deemed to be a service provided at the own exclusive initiative of the client. that is:</del>	
119a		<u>(a) a retail client, an eligible counterparty or a professional client within the meaning of Sections I and II of Annex II to Directive 2014/65/EU established or situated in the Union, provided that such client or counterparty approaches an undertaking established in a third country at its own exclusive initiative for the provision of any service or activity referred to in Article 47(1);</u>	
119b		<u>(b) a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013;</u>	
119c		<u>(c) an undertaking of the same group as that of the undertaking established in the third country.</u>	

	Commission Proposal	EP Mandate	Council Mandate
119d		<u><i>Without prejudice to point (c), where a third-country undertaking solicits a client or counterparty, or a potential client or counterparty, referred to in point (a) directly or indirectly through an entity acting on its own behalf or having close links with such third country undertaking or through any other person acting on behalf of such undertaking, it shall not be deemed as a service provided at the own exclusive initiative of the client or counterparty, or of the potential client or counterparty.</i></u>	
120	3. An initiative by a client or counterparty as referred to in paragraph 2 shall not entitle the third-country undertaking to market other categories of products, activities or services than those that the client or counterparty had solicited, other than through a third country branch established in a Member State.;	3. An initiative by a client or counterparty as referred to in paragraph 2 shall not entitle the third-country undertaking to market other categories of products, activities or services than those that the client or counterparty had solicited, other than through a third country branch established in a Member State <u><i>and with the exception of any services, activities or products strictly necessary for the provision of the service, product or activity solicited by the client or counterparty.</i></u>	<i>deleted</i>
120a		<u><i>(6a) in Article 22(2), the following</i></u>	<b>(6) in Article 22 paragraph 2 the first</b>

	Commission Proposal	EP Mandate	Council Mandate
		<u>subparagraph is inserted after the first subparagraph:</u>	subparagraph is replaced by the following:
120b		"	" The competent authorities shall acknowledge receipt of notification under paragraph 1 or of further information under paragraph 3 promptly and in any event within ten working days following receipt in writing to the proposed acquirer.'
120c		<u>By way of derogation from the first subparagraph, when the proposed acquisition referred to in paragraph 1 is deemed complex by the competent authorities, acknowledgment of the receipt of the notification or of any further information shall be done promptly and in any event within ten working days following the receipt of that notification or of the additional information.</u>	"
120d		<u>(6b) in Article 23(1), the following subparagraphs are added:</u>	(6a) Article 23 is amended as follows:
120e			(a) in paragraph 1 the point (e) is replaced

	Commission Proposal	EP Mandate	Council Mandate
			by the following:
120f			" (e) whether there are reasonable grounds to suspect that, in connection with the proposed acquisition, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849, on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing <sup>(5)</sup> is being or has been committed or attempted, or that the proposed acquisition could increase the risk thereof.
120g		" <u>For the purposes of assessing the criterion laid down in paragraph 1, point (e) of this Article, competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849.</u>	For the purposes of assessing the criterion laid down in paragraph 1, point (e), competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849. "
120h		<u>Competent authorities may object to the acquisition when the proposed acquirer is located in a country on the Union list of third-countries with strategic deficiencies or</u>	



	Commission Proposal	EP Mandate	Council Mandate
		<u>compliance weaknesses in their AML/CFT regime or in a country subject to Union restrictive measures and it is assessed by the competent authority that it affects the capacity of the proposed acquirer to have in place the needed practices and processes to comply with the requirements of the AML/CFT regime.</u>	
120i		<u>Competent authorities may object to the acquisition when the proposed acquirer is located in a country on the Union list of third-countries with strategic deficiencies or compliance weaknesses in their AML/CFT regime or in a country subject to Union restrictive measures and it is assessed by the competent authority that it affects the capacity of the proposed acquirer to have in place the needed practices and processes to comply with the requirements of the AML/CFT regime.</u> "	
120j		<u>(6c) in Article 23(2), the following subparagraph is added:</u>	<b>(b) in paragraph 2 the following subparagraph is added:</b>
120k		" <u>For the purpose of this paragraph and with regard to the criterion laid down in paragraph 1, point (e) of this Article, a negative opinion</u>	" <b>For the purpose of this paragraph and with regard to the criterion laid down in paragraph 1, point (e), an objection in</b>

	Commission Proposal	EP Mandate	Council Mandate
		<i><u>in writing by the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849 received by the competent authorities within 30 days of the initial request shall be duly considered by the competent authority when assessing the proposed acquisition and may constitute a reasonable ground for opposition.</u></i>	writing by the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849 shall constitute a reasonable ground for opposition. "
120l		<i><u>(6d) in Article 23, the following paragraph is added:</u></i>	(c) the following paragraph 6 is added:
120m		" <i><u>1. 6. EBA shall develop draft implementing technical standards specifying the minimum list of information to be provided to the competent authorities at the time of the notification referred to in paragraph 1.</u></i>	" <b>1. 6. EBA shall develop draft regulatory technical standards specifying the minimum list of information to be provided to the competent authorities at the time of the notification referred to in paragraph 1.</b>
120n		<i><u>2. For the purpose of the first subparagraph of this paragraph, EBA shall take into consideration Directive (EU) 2017/1132.</u></i>	<b>2. For the purpose of the first subparagraph, EBA shall take into consideration Directive (EU) 2017/1132.</b>
120o		<i><u>3. EBA shall submit those draft implementing technical standards to the Commission by ...</u></i>	<b>3. EBA shall submit those draft regulatory technical standards to the Commission by</b>

	Commission Proposal	EP Mandate	Council Mandate
		<u>[18 months from the date of entry into force of this amending Directive].</u>	[OP please insert the date = 18 months from the date of entry into force of this amending Directive].
120p		<u>4. Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph of this paragraph in accordance with Article 15 of Regulation (EU) No 1093/2010.;</u>	4. Power is conferred on the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Article 10 of Regulation (EU) No 1093/2010.;
121	(7) In Title III, the following Chapters 3, 4 and 5 are added:	(7) In Title III, the following Chapters 3, 4 and 5 are added:	(7) In Title III, the following Chapters 3, 4 and 5 are added:
122	‘ CHAPTER 3	‘ CHAPTER 3	‘ CHAPTER 3
123	Acquisition or divesture of a qualifying holding	Acquisition or divesture of a <del>qualifying</del> <u>material</u> holding	Acquisition or divesture of a <del>qualifying</del> <u>material</u> holding
124	Article 27a Notification and assessment of the acquisition	Article 27a Notification and assessment of the acquisition	Article 27a Notification and assessment of the acquisition
125			

	Commission Proposal	EP Mandate	Council Mandate
	<p>1. Member States shall require any institution, parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies, or other financial holding companies or mixed financial holding companies required to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis (the “acquirer”) to notify their competent authority where they intend to acquire, directly or indirectly, a qualifying holding which exceeds 15% of the eligible capital of the acquirer (the “proposed acquisition”), indicating the size of the intended holding and the relevant information, as specified in Article 27b(5).</p>	<p>1. Member States shall require any institution, <del>parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies, or other</del> <u>or any</u> financial holding <del>companies</del><u>company</u> or mixed financial holding <del>companies required to seek for approval in accordance with</del><u>company within the scope of</u> Article 21a(1) <del>on a sub-consolidated basis</del> (the "acquirer") to notify their competent authority <u>in advance</u> where they intend to acquire, directly or indirectly, a <del>qualifying</del> holding which exceeds 15% of the eligible capital of the acquirer (the "proposed acquisition"), indicating the size of the intended holding and the relevant information, as specified in Article 27b(5).</p>	<p>1. Member States shall require <del>any institution</del> <b>institutions</b>, parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies, or other financial holding companies or mixed financial holding companies <del>required</del> <b>that are obliged</b> to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis (the "acquirer") <del>to notify their competent authority where they intend to acquire</del> <b>, carrying out</b>, directly or indirectly, a <del>qualifying holding which exceeds 15% of the eligible capital of the acquirer</del> <b>an acquisition of a material holding in a financial sector entity</b> (the "proposed acquisition"), <del>indicating to notify the competent authority in advance. The notification shall indicate</del> the size of the <del>intended proposed</del> holding and the relevant information, as specified in Article 27b(5).</p>
125a			<p><b>1a. For the purposes of the first subparagraph, the holding shall be deemed material where it is at least equal to 15% of the eligible capital of the acquirer.</b></p>
125b			<p><b>1b. For the purpose of the first subparagraph,</b></p>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<p>where the acquirer is an institution, the threshold shall apply at both an individual level and on the basis of the consolidated situation of the parent institution in the EU. In case the threshold referred to in the second subparagraph is only exceeded at an individual level, the competent authority in the Member State where the acquirer is established shall be notified and assess the proposed acquisition. In case the threshold is also exceeded on the basis of the consolidated situation of the parent institution in the EU, the consolidating supervisor, in accordance with Article 111, shall also be notified and assess the proposed acquisition.</p>
125c			<p><b>1c.</b> For the purpose of the first subparagraph, where the acquirer is a parent financial holding company in a Member State, a parent mixed financial holding company in a Member State, an EU parent financial holding company and an EU parent mixed financial holding company, or another financial holding company or mixed financial holding company required to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis, the threshold referred to in the second subparagraph shall apply on the basis of the consolidated situation, and the consolidated supervisor, in accordance</p>

	Commission Proposal	EP Mandate	Council Mandate
			<b>with Article 111, shall be the competent authority to be notified and in charge of the assessment.</b>
125d			<b>1d. [paragraph 2 was deleted by accident in June presidency compromise text]</b>
126	2. The competent authorities shall acknowledge receipt of the notification under paragraph 1 or of any additional information under paragraph 5 promptly and in any event within two working days following receipt of that notification.	2. The competent authorities shall acknowledge receipt of the notification under paragraph 1 or of any additional information under paragraph 5 promptly and in any event within two working days following receipt of that notification.	2. The competent <del>authorities</del> <b>authority</b> shall acknowledge, <b>in writing, the</b> receipt of the notification under paragraph 1 or of any additional information under paragraph 5 promptly and in any event within <del>two</del> <b>ten</b> working days following receipt of <b>the notification or of the additional information</b> <del>that notification.</del>
127	By way of derogation from the paragraph 2 of this Article, and of Article 22(2), when the proposed acquisition referred to in paragraph 1 of this Article or in Article 22(1) is deemed complex by the competent authorities, acknowledgment of the receipt of the notification of any additional information shall be done promptly and in any event within ten working days following the receipt of that notification.	By way of derogation from the paragraph 2 of this Article, and of Article 22(2), when the proposed acquisition referred to in paragraph 1 of this Article or in Article 22(1) is deemed complex by the competent authorities, acknowledgment of the receipt of the notification of any additional information shall be done promptly and in any event within ten working days following the receipt of that notification.	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
128	3. The competent authorities shall have 60 working days from the date of the written acknowledgement of receipt of the notification and from the receipt of all documents, including those required by the Member State to be attached to the notification in accordance with Article 27b(4) (the “assessment period”), to carry out the assessment provided for in Article 27b(1) (the “assessment”).	3. The competent authorities shall have 60 working days from the date of the written acknowledgement of receipt of the notification and from the receipt of all documents, including those required by the Member State to be attached to the notification in accordance with Article 27 <del>b(4)</del> <b>b(5)</b> (the "assessment period"), to carry out the assessment provided for in Article 27b(1) (the "assessment").	3. The competent <del>authorities</del> <b>authority</b> shall have 60 working days from the date of the written acknowledgement of receipt of the notification and from the receipt of all documents, including those required by the Member State to be attached to the notification in accordance with Article 27b(4) (the "assessment period"), to carry out the assessment provided for in Article 27b(1) (the "assessment").
129	If the proposed acquisition consists in a qualifying holding in a credit institution as referred in Article 22(1), the acquirer shall also still be subject to the notification requirement and the assessment under that Article.	If the proposed acquisition consists in a qualifying holding in a credit institution as referred in Article 22(1), the acquirer shall also still be subject to the notification requirement and the assessment under that Article. <i><u>In that event, the period for the competent authority to carry out both assessments referred to in the first subparagraph of this paragraph and in Article 22(2) shall expire only when the latter of the relevant assessment periods expires.</u></i>	If the proposed acquisition consists in <b>the acquisition of</b> a qualifying holding in a credit institution as referred in Article 22(1), the acquirer shall also still be subject to the notification requirement and the assessment under that Article.
129a			<b>3a. Where the acquisition of a material holding is conducted between entities of the same group that are subject to Article 113 (6) of Regulation 575/2013 or between entities within the same institutional protection scheme and are subject to Article</b>

	Commission Proposal	EP Mandate	Council Mandate
			<b>113(7) of Regulation 575/2013, the competent authority shall not be required to carry out the assessment provided for in Article 27a(3).</b>
129b			<b>3b. Where the acquisition of a material holding is conducted between small and non-complex institutions subject to Article 4 paragraph 1 number 145 of Regulation 575/2013, the competent authority shall not be required to carry out the assessment provided for in Article 27a(3).</b>
130	4. The competent authorities shall inform the proposed acquirer of the date of the expiry of the assessment period at the time of acknowledging receipt referred to in paragraph 3.	4. The competent authorities shall inform the proposed acquirer of the date of the expiry of the assessment period at the time of acknowledging receipt referred to in paragraph <del>3</del> <sup>2</sup> .	4. The competent <del>authorities</del> <sup>authority</sup> shall inform the proposed acquirer of the date of the expiry of the assessment period at the time of acknowledging receipt referred to in paragraph <del>3</del> <sup>2</sup> .
131	5. The competent authorities may, during the assessment period where necessary, and no later than on the 50 <sup>th</sup> working day of the assessment period, request additional information that is necessary to complete the assessment. Such a request shall be made in writing and shall specify the additional information needed.	5. The competent authorities may, during the assessment period where necessary, and no later than on the 50 <sup>th</sup> working day of the assessment period, request additional information that is necessary to complete the assessment. Such a request shall be made in writing and shall specify the additional information needed.	5. The competent <del>authorities</del> <sup>authority</sup> may, during the assessment period where necessary, and no later than on the 50 <sup>th</sup> working day of the assessment period, request additional information that is necessary to complete the assessment. Such a request shall be made in writing and shall specify the additional information needed.



	Commission Proposal	EP Mandate	Council Mandate
132	6. The assessment period shall be suspended between the date of request for additional information by the competent authorities and the date of receipt of a response thereto by the acquirer, providing all the requested information. The suspension shall not exceed 20 working days. Any further requests by the competent authorities for completion or clarification of the information shall be at their discretion but shall not result in a suspension of the assessment period.	6. The assessment period shall be suspended between the date of request for additional information by the competent authorities and the date of receipt of a response thereto by the acquirer, providing all the requested information. The suspension shall not exceed 20 working days. Any further requests by the competent authorities for completion or clarification of the information shall be at their discretion but shall not result in a suspension of the assessment period.	6. The assessment period shall be suspended between the date of request for additional information by the competent <del>authorities</del> <b>authority</b> and the date of receipt of a response thereto by the acquirer, providing all the requested information. The suspension shall not exceed 20 working days. Any further requests by the competent <del>authorities</del> <b>authority</b> for completion or clarification of the information shall be at their discretion but shall not result in a suspension of the assessment period.
133	7. The competent authorities may extend the suspension referred to in the second subparagraph of paragraph 6 up to 30 working days in the following situations:	7. The competent authorities may extend the suspension referred to in the second <del>subparagraph</del> <b>sentence</b> of paragraph 6 up to 30 working days in the following situations:	7. The competent <del>authorities</del> <b>authority</b> may extend the suspension referred to in the second <del>subparagraph</del> <b>sentence</b> of paragraph 6 up to 30 working days in the following situations:
134	(a) the entity acquired is situated or regulated in a third country;	(a) the entity acquired is situated or regulated in a third country;	(a) the entity acquired is situated or regulated in a third country;
135	(b) exchange of information with authorities responsible for supervising the obliged entities listed in Article 2(1) points (1) and (2) of Directive (EU) 2015/849 of the European Parliament and of the Council <sup>*5</sup> is necessary to perform the assessment referred to in Article 27b(1) of this Directive.	(b) exchange of information with authorities responsible for supervising the obliged entities listed in Article 2(1) points (1) and (2) of Directive (EU) 2015/849 of the European Parliament and of the Council <sup>*5</sup> is necessary to perform the assessment referred to in Article 27b(1) of this Directive.	(b) exchange of information with authorities responsible for supervising the obliged entities listed in Article 2(1) points (1) and (2) of Directive (EU) 2015/849 <del>of the European Parliament and of the Council</del> <sup>*55</sup> is necessary to perform the assessment referred to in Article <del>27b(1)</del> <b>a(3)</b> of this Directive.

	Commission Proposal	EP Mandate	Council Mandate
			<b>5. Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).</b>
136	8. Where the approval of a financial holding company or mixed financial holding company pursuant to Article 21a takes place concurrently with the assessment referred in this Article, the competent authority for the purposes of that Article shall coordinate, as appropriate, with the consolidating supervisor and, where different, the competent authority in the Member State where the financial holding company or mixed financial holding company is established. In that case, the assessment period shall be suspended for a period not exceeding 20 working days until the procedure set out in Article 21a is complete.	<i>deleted</i>	8. Where the approval of a financial holding company or mixed financial holding company pursuant to Article 21a takes place concurrently with the assessment referred in this Article, the competent authority for the purposes of that Article shall coordinate, as appropriate, with the consolidating supervisor and, where different, the competent authority in the Member State where the financial holding company or mixed financial holding company is established. In that case, the assessment period shall be suspended <del>for a period not exceeding 20 working days</del> until the procedure set out in Article 21a is complete.
137	9. Where competent authorities decide to oppose the proposed acquisition, they shall, within two working days of completion of the assessment, and not exceeding the assessment period, inform the acquirer in writing, providing the reasons for their objection.	9. Where competent authorities decide to oppose the proposed acquisition, they shall, within two working days of completion of the assessment, and not exceeding the assessment period, inform the acquirer in writing, providing the reasons for their objection.	9. Where <del>the competent authorities</del> <b>decide authority decides</b> to oppose the proposed acquisition, <del>they-it</del> shall, within two working days of completion of the assessment, and not exceeding the assessment period, inform the acquirer in writing, providing the

	Commission Proposal	EP Mandate	Council Mandate
	Subject to national law, an appropriate statement of the reasons for the decision opposing the proposed acquisition may be made accessible to the public at the request of the acquirer. The absence of provisions in the national law regarding an appropriate statement of the reasons for the decision opposing the proposed acquisition shall not prevent Member States from allowing the competent authority to publish such information in the absence of a request by the acquirer.	Subject to national law, an appropriate statement of the reasons for the decision opposing the proposed acquisition may be made accessible to the public at the request of the acquirer. The absence of provisions in the national law regarding an appropriate statement of the reasons for the decision opposing the proposed acquisition shall not prevent Member States from allowing the competent authority to publish such information in the absence of a request by the acquirer.	<del>reasons for their objection. Subject to national law, an appropriate statement of the reasons for the decision opposing the proposed acquisition may be made accessible to the public at the request of the acquirer. The absence of provisions in the national law regarding an appropriate statement of the reasons for the decision opposing the proposed acquisition shall not prevent Member States from allowing the competent authority to publish such information in the absence of a request by the acquirer.</del>
138	10. Where the competent authorities do not oppose the proposed acquisition within the assessment period in writing, it shall be deemed approved.	10. Where the competent authorities do not oppose the proposed acquisition within the assessment period in writing, it shall be deemed approved.	10. Where the competent <del>authorities</del> <b>authority does</b> not oppose the proposed acquisition within the assessment period in writing, it shall be deemed approved.
139	11. Competent authorities may set a maximum period for completing the proposed acquisition and extend it where appropriate.	11. Competent authorities may set a maximum period for completing the proposed acquisition and extend it where appropriate.	11. Competent <del>authorities</del> <b>authority</b> may set a maximum period for completing the proposed acquisition and extend it where appropriate.
140	12. Member States may not impose requirements for notification to, or approval by, competent authorities of direct or indirect acquisitions or capital that are more stringent than those set out in Article 89 of Regulation (EU) No 575/2013.	12. Member States may not impose requirements for notification to, or approval by, competent authorities of direct or indirect acquisitions <del>or capital</del> that are more stringent than those set out in <del>Article 89 of Regulation (EU) No 575/2013</del> <b>this Article</b> .	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
141	_____	_____	<i>deleted</i>
142	*5 Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).	*5 Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC (OJ L 141, 5.6.2015, p. 73).	<i>deleted</i>
143	Article 27b Assessment criteria	Article 27b Assessment criteria	Article 27b Assessment criteria
144	1. In dealing with the notification of the proposed acquisition provided for in Article 27a(1) and the information referred to in Article 27a(5), the competent authorities shall assess the sound and prudent management of the acquirer after the acquisition and in particular of the risks to which the acquirer is	1. In dealing with the notification of the proposed acquisition provided for in Article 27a(1) and the information referred to in Article 27a(5), the competent authorities shall assess the sound and prudent management of the acquirer after the acquisition and in particular of the risks to which the acquirer is	1. In dealing with the notification of the proposed acquisition provided for in Article 27a(1) and the information referred to in Article 27a(5), the competent <del>authorities</del> <b>authority shall, while acting in accordance with paragraph 3a and 3b of Article 27a,</b> assess the sound and prudent

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	or might be exposed, in accordance with the following criteria:	or might be exposed, in accordance with the following criteria:	management of the acquirer after the acquisition and in particular of the risks to which the acquirer is or might be exposed, in accordance with the following criteria:
145	(a) the sufficiently good repute and sufficient knowledge, skills and experience, as set out in Article 91(1), of any new member of the management body of the acquirer to be appointed as a result of the proposed acquisition.	(a) the sufficiently good repute and sufficient knowledge, skills and experience, as set out in Article 91(1), of any new member of the management body of the acquirer to be appointed as a result of the proposed acquisition.	<i>deleted</i>
146	(b) whether the acquirer will be able to comply and continue to comply with the prudential requirements set out in this Directive and Regulation (EU) No 575/2013, and where applicable, other acts of Union law.	(b) whether the acquirer will be able to comply and continue to comply with the prudential requirements set out in this Directive and Regulation (EU) No 575/2013, and where applicable, other acts of Union law.	<del>(b)</del> (a) whether the acquirer will be able to comply and continue to comply with the prudential requirements set out in this Directive and Regulation (EU) No 575/2013, and where applicable, other acts of Union law.
147	(c) whether there are reasonable grounds to suspect that, in connection with the proposed acquisition, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or that the proposed acquisition could increase the risk thereof.	(c) whether there are reasonable grounds to suspect that, in connection with the proposed acquisition, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or that the proposed acquisition could increase the risk thereof.	<del>(e)</del> (b) whether there are reasonable grounds to suspect that, in connection with the proposed acquisition, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or that the proposed acquisition could increase the risk thereof.
148			

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	2. For the purposes of assessing the criterion laid down in paragraph 1, point (c), and criterion laid down in Article 23(1), point (e), competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849.	2. For the purposes of assessing the criterion laid down in paragraph 1, point (c), <del>and criterion laid down in Article 23(1), point (e)</del> , competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849.	2. For the purposes of assessing the criterion laid down in paragraph 1, point <del>(e)</del> , <del>and criterion laid down in Article 23(1), point (e)</del> <b>(b)</b> , competent <del>authorities</del> <b>authority</b> shall consult, in the context of <del>their</del> <b>its</b> verifications, the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849.
149	3. The competent authorities may oppose the proposed acquisition only if there are reasonable grounds for doing so on the basis of the criteria set out in paragraph 1 or if the information provided by the acquirer is incomplete, despite a request made in accordance with Article 27a.	3. The competent authorities may oppose the proposed acquisition only if there are reasonable grounds for doing so on the basis of the criteria set out in paragraph 1 <u>of this Article</u> or if the information provided by the acquirer is incomplete, despite a request made in accordance with Article 27a.	3. The competent <del>authorities</del> <b>authority</b> may oppose the proposed acquisition only if there are reasonable grounds for doing so on the basis of the criteria set out in paragraph 1 or if the information provided by the acquirer is incomplete, despite a request made in accordance with Article 27a <b>(5)</b> .
150	For the purposes of this paragraph and Article 23(2), and with regard to the criterion laid down in paragraph 1, point (c), an objection in writing by the authorities competent for the supervision of the undertakings under Directive (EU) 2015/849 shall constitute a reasonable ground for opposition.	For the purposes of this paragraph and <del>Article 23(2)</del> , <del>and</del> with regard to the criterion laid down in paragraph 1, point (c), <del>an objection in writing</del> <u>a negative opinion</u> by the authorities competent for the supervision of the undertakings under Directive (EU) 2015/849 <u>received by the competent authorities within 30 days of the initial request</u> shall <u>be duly considered by the competent authorities when assessing the proposed acquisition and may</u> constitute a reasonable ground for opposition.	For the purposes of this paragraph <del>and Article 23(2)</del> , and with regard to the criterion laid down in paragraph 1, point <del>(e)</del> <b>(b)</b> , an objection in writing by the authorities competent for the supervision of the undertakings under Directive (EU) 2015/849 shall constitute a reasonable ground for opposition.

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151	4. Member States shall neither impose any prior conditions in respect of the level of holding that must be acquired nor allow their competent authorities to examine the proposed acquisition in terms of the economic needs of the market.	4. Member States shall neither impose any prior conditions in respect of the level of holding that must be acquired nor allow their competent authorities to examine the proposed acquisition in terms of the economic needs of the market.	4. Member States shall neither impose any prior conditions in respect of the level of holding that must be acquired nor allow <del>their</del> <b>the competent authorities</b> authority to examine the proposed acquisition in terms of the economic needs of the market.
152	5. Member States shall publish a list specifying the information required to carry out the assessment. That information shall be provided to the competent authorities at the time of the notification referred to in Article 27a(1). The information shall be proportionate and appropriate to the nature of the entity to be acquired. Member States shall not require information that is not relevant for the prudential assessment under this Article.	5. Member States shall publish a list specifying the information required to carry out the assessment. That information shall be provided to the competent authorities at the time of the notification referred to in Article 27a(1). The information shall be proportionate and appropriate to the nature of the entity to be acquired. Member States shall not require information that is not relevant for the prudential assessment under this Article.	5. Member States shall publish a list specifying the information required to carry out the assessment. That information shall be provided to the competent authorities at the time of the notification referred to in Article 27a(1), <b>covering at least the information requirements included in the regulatory technical standards referred to in Article 27b(7)(a)</b> . The information shall be proportionate and appropriate to the nature of the entity to be acquired. Member States shall not require information that is not relevant for the prudential assessment under this Article.
153	6. Notwithstanding Article 27a, paragraphs 2 to 7, where two or more proposals to acquire qualifying holdings in the same entity have been notified, the competent authority shall treat the acquirers in a non-discriminatory manner.	6. Notwithstanding Article <del>27a, paragraphs 2 to 7</del> , <b>27a(2) to (7)</b> where two or more proposals to acquire <del>qualifying</del> holdings in the same entity have been notified, the competent authority shall treat the acquirers in a non-discriminatory manner.	6. Notwithstanding Article 27a, paragraphs 2 to 7, where two or more proposals to acquire <del>qualifying</del> <b>material</b> holdings in the same entity have been notified, the competent authority shall treat the acquirers in a non-discriminatory manner.

	Commission Proposal	EP Mandate	Council Mandate
154	7. EBA shall develop draft regulatory technical standards specifying:	7. EBA shall develop draft regulatory technical standards specifying:	7. EBA shall develop draft regulatory technical standards specifying:
155	(a) the minimum list of information to be provided to the competent authorities at the time of the notification referred to in Article 23(1), Article 27a(1), Article 27f(1) and Article 27k(1);	(a) the minimum list of information to be provided to the competent authorities at the time of the notification referred to in Article <del>23(1)</del> <u>22(1)</u> , Article 27a(1), Article 27f(1) and Article 27k(1);	(a) the minimum list of information to be provided to the competent authorities at the time of the notification referred to in <del>Article 23(1)</del> , Article 27a(1), <del>Article 27f(1)</del> and Article 27k(1);
156	(b) a common assessment methodology of the criteria set out in this Article, Article 27g and Article 27l;	(b) a common assessment methodology of the criteria set out in this Article, Article 27g and Article 27l;	(b) a common assessment methodology of the criteria set out in this Article, Article <del>27g-23</del> and Article 27l;
157	(c) the process applicable to notification and the prudential assessment required under Article 27a, Article 27f and Article 27k.	(c) the process applicable to notification and the prudential assessment required under Article 27a, Article 27f and Article 27k.	(c) the process applicable to notification and the prudential assessment required under Article 27a, Article <del>27f</del> <u>27b(1)(b)</u> and Article 27k.
158	For the purpose of the first sub-paragraph, the EBA shall take into consideration the Directive (EU) 2017/1132 of the European Parliament and of the Council* <sup>6</sup> .	For the purpose of the first sub-paragraph, the EBA shall take into consideration the Directive (EU) 2017/1132 of the European Parliament and of the Council* <sup>6</sup> .	For the purpose of the first sub-paragraph, the EBA shall take into consideration the Directive (EU) 2017/1132 of the European Parliament and of the Council* <sup>6</sup> .  <b>*6. Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (codification).</b>



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159	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].	EBA shall submit those draft <del>implementing</del> <b>regulatory</b> technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].	EBA shall submit those draft <del>implementing</del> <b>regulatory</b> technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].
160	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the <del>implementing</del> <b>regulatory</b> technical standards referred to in the first subparagraph in accordance with <del>Article 15</del> <b>Articles 10 to 14</b> of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the <del>implementing</del> <b>regulatory</b> technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.
161	_____	_____	<i>deleted</i>
162	* <sup>6</sup> Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (codification).	* <sup>6</sup> Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law (codification).	<i>deleted</i>
162a		<u><b>7a. EBA shall issue guidelines to specify common assessment criteria set out in this Article, Article 27g and Article 27l. EBA shall issue those guidelines by [OP please insert the</b></u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u><i>date = 12 months from the date of entry into force of this amending Directive.</i></u>	
163	Article 27c Cooperation between competent authorities	Article 27c Cooperation between competent authorities	Article 27c Cooperation between competent authorities
164	1. The relevant competent authorities shall consult each other when carrying out the assessment referred to in Article 27b where the entity acquired is one of the following:	1. The relevant competent authorities shall consult each other when carrying out the assessment referred to in Article 27b where the entity acquired is one of the following:	1. The <del>relevant</del> competent <del>authorities</del> <b>authority</b> shall consult <del>each</del> <b>the relevant authorities entrusted with the supervision of other financial sector entities</b> when carrying out the assessment referred to in Article <del>27b</del> <b>27a(3)</b> where the entity acquired is one of the following:
165	(a) a credit institution, insurance undertaking, reinsurance undertaking, investment firm or a management company within the meaning of Article 2(1) point (b) of Directive 2009/65/EC (“UCITS management company”) authorised in another Member State or in a sector other than that of the proposed acquirer;	(a) a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>a management company within the meaning of Article 2(1) point (b) of Directive 2009/65/EC</del> (“ <del>UCITS</del> <b>asset</b> management company”) authorised in another Member State or in a sector other than that of the proposed acquirer;	(a) a credit institution, insurance undertaking, reinsurance undertaking, investment firm or a <del>management company within the meaning of Article 2(1) point (b) of Directive 2009/65/EC</del> (“ <del>UCITS</del> <b>an asset</b> management company”) authorised in another Member State or in a sector other than that of the proposed acquirer;
166	(b) a parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, investment firm or a management company within the meaning of Article 2(1),	(b) a parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>a management company within the meaning of</del> <b>asset</b>	(b) a parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>a management company within the meaning of Article 2(1),</del>

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	point (b) of Directive 2009/65/EC (“UCITS management company”) authorised in another Member State or in a sector other than that of the proposed acquirer;	<del>Article 2(1), point (b) of Directive 2009/65/EC (“UCITS management company”)</del> authorised in another Member State or in a sector other than that of the proposed acquirer;	point (b) of Directive 2009/65/EC (“ <del>UCITS an</del> asset management company”) authorised in another Member State or in a sector other than that of the proposed acquirer;
167	(c) a legal person controlling a credit institution, insurance undertaking, reinsurance undertaking, investment firm or UCITS management company authorised in another Member State or in a sector other than that in which the acquisition is proposed.	(c) a legal person controlling a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>UCITS</del> asset management company authorised in another Member State or in a sector other than that in which the acquisition is proposed.	(c) a legal person controlling a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>UCITS an</del> asset management company authorised in another Member State or in a sector other than that in which the acquisition is proposed.
167a			<b>(ca) In the case where the acquirer is an institution and the threshold as referred to in Article 27a(1) is only exceeded at an individual level, the competent authority assessing the proposed acquisition shall notify the consolidating supervisor of the proposed acquisition within ten working days following receipt of the notification by the acquirer, if the acquirer is part of a group and the competent authority in charge of the assessment is different from the consolidating supervisor. The competent authority shall also forward its assessment to the consolidating supervisor.</b>
167b			<b>(cb) In the case where the acquirer is a</b>

	Commission Proposal	EP Mandate	Council Mandate
			<p>parent financial holding company in a Member State, a parent mixed financial holding company in a Member State, an EU parent financial holding company and an EU parent mixed financial holding company, or another financial holding company or mixed financial holding company required to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis, the consolidating supervisor shall notify the competent authority in the Member State where the acquirer is established of the proposed acquisition within ten working days following receipt of the notification by the acquirer, if this competent authority is different from the consolidating supervisor assessing the proposed acquisition. The consolidating supervisor shall also forward its assessment to that competent authority.</p>
167c			<p>(cc) In the case where the acquirer is an institution and the threshold as referred to in Article 27a(1) is exceeded at both individual and on the basis of the consolidated situation of the parent institution in the EU, the competent authority and consolidating supervisor assessing the proposed acquisition shall seek to coordinate their assessments, in particular with regard to their consultation of the relevant authorities referred to in</p>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			Article 27c(1).
167d			<b>(cd) Where the assessment of the proposed acquisition needs to be carried out by the consolidating supervisor referred to in paragraph 1 of Article 27a, and the consolidating supervisor is different from the competent authority in the Member State where the acquirer is established, the two authorities shall work together in full consultation. The consolidating supervisor shall prepare an assessment on the proposed acquisition and shall forward that assessment to the competent authority in the Member State where the acquirer is established. The two authorities shall do everything within their powers to reach a joint decision within two months of receipt of that assessment. The joint decision shall be duly documented and reasoned. The consolidating supervisor shall communicate the joint decision to the acquirer.</b>
167e			<b>(ce) In the event of a disagreement, the consolidating supervisor or the competent authority in the Member State where the acquirer is established shall refrain from taking a decision and shall refer the matter to EBA in accordance with Article 19 of Regulation (EU) No 1093/2010. EBA shall</b>

	Commission Proposal	EP Mandate	Council Mandate
			<b>take its decision within one month of receipt of the referral to EBA. The competent authorities concerned shall adopt a joint decision in conformity with the decision of EBA. The matter shall not be referred to EBA after the end of the two-month period or after a joint decision has been reached.</b>
168	The competent authorities shall, without undue delay, provide each other with any information which is essential or relevant for the assessment. For those purposes, the competent authorities shall communicate to each other upon request or on their own initiative all relevant information for the assessment.	The competent authorities shall, without undue delay, provide each other with any information which is essential or relevant for the assessment. For those purposes, the competent authorities shall communicate to each other upon request or on their own initiative all relevant information for the assessment.	The competent authorities shall, without undue delay, provide each other with any information which is essential or relevant for the assessment. For those purposes, the competent authorities shall communicate to each other upon request or on their own initiative all relevant information for the assessment.
169	2. The competent authorities shall seek to coordinate their assessments and ensure the consistency of their decisions. To this end, the decision by the competent authority of the acquirer shall indicate any views or reservations made by the competent authority that has authorised the credit institution controlled by the parent undertaking in which the acquisition is proposed.	2. The competent authorities shall seek to coordinate their <del>assessments</del> <b>assessment</b> and ensure the consistency of their decisions. To this end, the decision by the competent authority of the acquirer shall indicate any views or reservations made by the <del>competent authority that has authorised the credit institution controlled by the parent undertaking in which the acquisition is proposed</del> <b>other relevant competent authorities</b> .	2. <del>The competent authorities shall seek to coordinate their assessments and ensure the consistency of their decisions.</del> To this end, the decision by the competent authority <b>in charge</b> of the <del>acquirer</del> <b>assessment</b> shall indicate any views or reservations made by the <del>competent authority that has authorised the credit institution controlled by the parent undertaking in which the acquisition is proposed</del> <b>other relevant competent authorities</b> .
170	3. EBA shall develop draft implementing	3. EBA shall develop draft implementing	3. EBA shall develop draft implementing

	Commission Proposal	EP Mandate	Council Mandate
	technical standards to establish common procedures, forms and templates for the consultation process between the relevant competent authorities as referred to in this Article.	technical standards to establish common procedures, forms and templates for the consultation process between the relevant competent authorities as referred to in this Article.	technical standards to establish common procedures, forms and templates for the consultation process between the relevant competent authorities as referred to in this Article.
171	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].
172	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.
173	Article 27d Notification in the case of divestiture	Article 27d Notification in the case of divestiture	Article 27d Notification in the case of divestiture
174	Member States shall require institutions, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies, as well as financial holding companies and mixed financial holding	Member States shall require <del>institutions, parent mixed financial holding companies in a Member State, EU parent</del> <b>any institution or any parent company or</b> mixed financial holding <del>companies, as well as financial holding</del>	Member States shall require institutions, parent <b>financial holding companies in a Member State, parent</b> mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies, as well as

	Commission Proposal	EP Mandate	Council Mandate
	companies, to notify the competent authorities where they intend to dispose, directly or indirectly, of a qualifying holding that exceeds 15% of the eligible capital of the acquirer. That notification shall be made in writing and in advance of the divestiture, indicating the size of the holding concerned.	<del>companies and mixed financial holding companies, company within the scope of Article 21a(1)</del> to notify the competent authorities where <del>they intend</del> <u>it intends</u> to dispose, directly or indirectly, of a <del>qualifying</del> <u>material</u> holding that exceeds 15% of <del>the</del> <u>its</u> eligible capital of the acquirer. That notification shall be made in writing and in advance of the divestiture, indicating the size of the holding concerned.	<b>other</b> financial holding companies and mixed financial holding companies, <del>to notify the competent authorities where they intend to dispose</del> <b>that are obliged to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis,, carrying out a disposal</b> , directly or indirectly, of a <del>qualifying</del> <u>material</u> holding <del>that exceeds 15% of the eligible capital of the acquirer</del> <b>in a financial sector entity , in accordance with Article 27a(1), to notify the competent authority</b> . That notification shall be made in writing and in advance of the divestiture, indicating the size of the holding concerned.
175	Article 27e Information obligations and penalties	Article 27e Information obligations and penalties	Article 27e Information obligations and penalties
176	Where the acquirer fails to notify the proposed acquisition in advance in accordance with Article 27a(1) or has acquired a qualifying holding as referred to that Article despite the competent authorities' opposition, Member States shall require those competent authorities to take appropriate measures. Such measures may include injunctions, periodic penalty payments and penalties, in accordance with Articles 65 to 72, against members of the management body and senior management. Where a qualifying holding is acquired despite	Where the acquirer fails to notify the proposed acquisition in advance in accordance with Article 27a(1) or has acquired a <del>qualifying</del> <u>material</u> holding as referred to that Article despite the competent authorities' opposition, Member States shall require those competent authorities to take appropriate measures. Such measures may include injunctions, periodic penalty payments and penalties, in accordance with Articles 65 to 72, against members of the management body and senior management. Where a	Where the acquirer fails to notify the proposed acquisition in advance in accordance with Article 27a(1) or has acquired a <del>qualifying</del> <u>material</u> holding as referred to <b>in</b> that Article despite the competent <del>authorities'</del> <b>authority's</b> opposition, Member States shall require <del>those</del> <b>that</b> competent <del>authorities'</del> <b>authority</b> to take appropriate measures. <del>Such measures may include injunctions, periodic penalty payments and penalties, in accordance with Articles 65 to 72, against members of the management body and senior management.</del> Where a qualifying



	Commission Proposal	EP Mandate	Council Mandate
	opposition by the competent authorities, Member States shall, without prejudice to potential penalties, provide either for exercise of the corresponding voting rights to be suspended or for votes cast to be declared null and void.	<del>qualifying</del> <b>material</b> holding is acquired despite opposition by the competent authorities, Member States shall, without prejudice to potential penalties, provide either for exercise of the corresponding voting rights to be suspended or for votes cast to be declared null and void.	<b>material</b> holding is acquired despite opposition by the competent <del>authorities</del> <b>authority</b> , Member States shall, without prejudice to potential penalties, provide either for exercise of the corresponding voting rights to be suspended or for votes cast to be declared null and void.
177	CHAPTER 4	CHAPTER 4	CHAPTER 4
178	Material transfers of assets and liabilities	Material transfers of assets and liabilities	Material transfers of assets and liabilities
179	Article 27f Notification and assessment of material transfers of assets and liabilities	Article 27f Notification and assessment of material transfers of assets and liabilities	Article 27f <del>Notification and assessment</del> <b>Notification</b> of material transfers of assets and liabilities
180	1. Member States shall require institutions, parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies, EU parent mixed financial holding companies, or other financial holding companies and mixed financial holding companies required to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis to notify their competent	1. Member States shall require institutions, <del>parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies, EU parent mixed</del> <b>or any</b> financial holding <del>companies, or other financial holding companies and</del> <b>company or</b> mixed financial holding <del>companies required to seek for approval in accordance with</del> <b>company within the scope of</b>	1. Member States shall require institutions, parent financial holding companies- in a Member State, parent mixed financial holding companies- in a Member State, EU parent financial holding- companies, EU parent mixed financial holding companies, or other financial holding companies and mixed financial holding companies <b>that are obliged</b> <del>required</del> to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis

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	authority of any material transfer of assets or liabilities which they intend to execute either through a sale or any other type of transaction (the “intended operation”). The notification shall indicate the size of the intended operation and provide the information specified in Article 27g(5).	Article 21a(1) <del>on a sub-consolidated basis</del> to notify their competent authority of any material transfer of assets or liabilities which they intend to execute either through a sale or any other type of transaction (the "intended operation"). The notification shall indicate the size of the intended operation and provide the information specified in Article 27g(5).	<del>carrying out to notify their competent authority of any material transfer of assets or liabilities which they intend to execute either through a sale or any other type of transaction (the "intended operation").</del> <b>The notification shall indicate the size , to notify their competent authority in advance of the intended operation and provide the information specified in Article 27g(5) completion of the proposed operation. .</b>
181	When the intended operation involves only institutions from the same group, these institutions shall also be subject to the first subparagraph.	When the intended operation involves only institutions from the same group, these institutions shall also be subject to the first subparagraph.	When the <del>intended</del> <b>proposed</b> operation involves only <del>institutions</del> <b>entities</b> from the same group, these institutions shall also be subject to the first sub-paragraph .
182	For the purposes of the first and second subparagraphs, each of the institutions involved in the same intended operation shall be subject individually to the obligation to notify set out in those subparagraphs.	For the purposes of the first and second subparagraphs, each of the institutions involved in the same intended operation shall be subject individually to the obligation to notify set out in those subparagraphs.	For the purposes of the first and second subparagraphs, each of the <del>institutions</del> <b>entities</b> involved in the same <del>intended</del> <b>proposed</b> operation shall be subject individually to the obligation to notify set out in those subparagraphs.
183	2. For the purposes of paragraph 1:	2. For the purposes of paragraph 1:	2. For the purposes of paragraph 1:
184	(a) the intended operation shall be deemed	(a) the intended operation shall be deemed	(a) the <del>intended</del> <b>proposed</b> operation shall be

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	material for an institution where it is at least equal to 10 % of its total assets or liabilities, where the intended operation is performed between entities of the same group, the intended operation is deemed material for an institution where it is at least equal to 15 % of its total assets or liabilities;	material for an institution where it is at least equal to 10 % of its total assets or liabilities, <del>where the intended operation is performed between entities of the same group, the intended operation is deemed material for an institution where it is at least equal to 15 % of its total assets or liabilities</del> <u>on a consolidated basis</u> ;	deemed material for an <del>institution</del> <b>entity</b> where it is at least equal to 10 % of its total assets or liabilities, <del>where the intended</del> <b>unless the proposed</b> operation is performed between entities of the same group, <del>the intended</del> <b>in which case the proposed</b> operation <b>shall be</b> is deemed material for an <del>institution</del> <b>entity</b> where it <del>is</del> <b>represents</b> at least equal to 15 % of its total assets or liabilities;
184a			<b>(aa) For the purpose of point (a) of paragraph 2, for parent financial holding companies or mixed financial holding companies referred to in paragraph 1, the threshold shall apply on the basis of their consolidated situation;</b>
185	(b) transfers of non-performing assets, or of assets for the purpose of being included in a cover pool, within the meaning of Article 3(3) of Directive (EU) 2019/2162 of the European Parliament and of the Council <sup>*7</sup> , or to be securitised, shall not be taken into account for calculating the percentage in point (a);	(b) transfers of non-performing assets, or of assets for the purpose of being included in a cover pool, within the meaning of Article 3(3) of Directive (EU) 2019/2162 of the European Parliament and of the Council <sup>*7</sup> , or to be securitised, shall not be taken into account for calculating the percentage in point (a);	(b) transfers of non-performing assets, or of assets for the purpose of being included in a cover pool, within the meaning of Article 3(3) of Directive (EU) 2019/2162 of the European Parliament and of the Council <sup>*7</sup> , or to be securitised, shall not be taken into account for calculating the percentage in point (a);
186	(c) transfers of assets or liabilities in the context of the use of resolution tools, powers and mechanisms provided for in Title IV of	(c) transfers of assets or liabilities in the context of the use of resolution tools, powers and mechanisms provided for in Title IV of	(c) transfers of assets or liabilities in the context of the use of resolution tools, powers and mechanisms provided for in Title IV of

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	Directive 2014/59/EU shall not be taken into account for calculating the percentage referred to in point (a).	Directive 2014/59/EU shall not be taken into account for calculating the percentage referred to in point (a).	Directive 2014/59/EU shall not be taken into account for calculating the percentage referred to in point (a).
187	3. Competent authorities shall acknowledge receipt of the notification under paragraph 1 or of additional information under paragraph 6 promptly and in any event within two working days following receipt of the notification.	3. Competent authorities shall acknowledge receipt of the notification under paragraph 1 or of additional information under paragraph 6 promptly and in any event within two working days following receipt of the notification.	<i>deleted</i>
188	4. From the date of the written acknowledgement of receipt of the notification and of the documents, including those required by the Member State to be attached to the notification in accordance with Article 27g(5), competent authorities shall have a maximum of 60 working days to carry out the assessment provided for in Article 27g(1) (the “assessment period”).	4. From the date of the written acknowledgement of receipt of the notification and of the documents, including those required by the Member State to be attached to the notification in accordance with Article 27g(5), competent authorities shall have a maximum of 60 working days to carry out the assessment provided for in Article 27g(1) (the “assessment period”).	<i>deleted</i>
189	5. Competent authorities shall inform the institution of the date of the expiry of the assessment period at the time of acknowledging receipt.	5. Competent authorities shall inform the institution of the date of the expiry of the assessment period at the time of acknowledging receipt.	<i>deleted</i>
190	6. Competent authorities may request further	6. Competent authorities may request further	

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	necessary information to complete the assessment at any time during the assessment period and no later than the 50th working day of the assessment period. Such a request shall be made in writing and specify the additional information needed.	necessary information to complete the assessment at any time during the assessment period and no later than the 50th working day of the assessment period. Such a request shall be made in writing and specify the additional information needed.	<i>deleted</i>
191	7. For the period between the date of request for information by the competent authorities and the receipt of a response thereto by the institution providing all the requested information, the assessment period shall be suspended. The suspension shall not exceed 20 working days. Any further requests by the competent authorities for the completion or clarification of the information shall be at their discretion but shall not result in a suspension of the assessment period.	7. For the period between the date of request for information by the competent authorities and the receipt of a response thereto by the institution providing all the requested information, the assessment period shall be suspended. The suspension shall not exceed 20 working days. Any further requests by the competent authorities for the completion or clarification of the information shall be at their discretion but shall not result in a suspension of the assessment period.	<i>deleted</i>
192	8. Where competent authorities decide to oppose the intended operation, they shall inform the institution in writing and provide the reasons thereto within two working days of completion of the assessment and not later than the date of the expiry of the assessment period. Subject to national law, an appropriate statement of the reasons for the decision may be made accessible to the public at the request of the institution. The absence of provisions in the national law regarding an appropriate	8. Where competent authorities decide to oppose the intended operation, they shall inform the institution in writing and provide the reasons thereto within two working days of completion of the assessment and not later than the date of the expiry of the assessment period. Subject to national law, an appropriate statement of the reasons for the decision may be made accessible to the public at the request of the institution. The absence of provisions in the national law regarding an appropriate	<i>deleted</i>

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	statement of the reasons for the decision opposing the proposed acquisition shall not prevent a Member State from allowing the competent authority to publish such information in the absence of a request by the institution.	statement of the reasons for the decision opposing the proposed acquisition shall not prevent a Member State from allowing the competent authority to publish such information in the absence of a request by the institution.	
193	9. Where the competent authorities do not oppose the intended operation in writing within the assessment period, it shall be deemed approved.	9. Where the competent authorities do not oppose the intended operation in writing within the assessment period, it shall be deemed approved.	<i>deleted</i>
194	10. The competent authorities may set a maximum period for completing the intended operation and extend it where appropriate.	10. The competent authorities may set a maximum period for completing the intended operation and extend it where appropriate.	<i>deleted</i>
195	11. Member States may not impose requirements for notification on, or approval by, the competent authorities that are more stringent than those set out in Article 27f.	11. Member States may not impose requirements for notification on, or approval by, the competent authorities that are more stringent than those set out in Article 27f.	<i>deleted</i>
196	_____	_____	<i>deleted</i>
197	*7 Directive (EU) 2019/2162 of the	*7 Directive (EU) 2019/2162 of the	

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	European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (OJ L 328, 18.12.2019, p. 29).	European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (OJ L 328, 18.12.2019, p. 29).	<i>deleted</i>
198	Article 27g Assessment criteria	Article 27g Assessment criteria	<i>deleted</i>
199	1. In dealing with the notification provided for in Article 27f(1) and the information referred to in Article 27f(6), competent authorities shall assess the intended operation in accordance with the following criteria:	1. In dealing with the notification provided for in Article 27f(1) and the information referred to in Article 27f(6), competent authorities shall assess the intended operation in accordance with the following criteria:	<i>deleted</i>
200	(a) whether the institution will be able to comply and continue to comply with the prudential requirements set out in this Directive and Regulation (EU) No 575/2013, and where applicable, other acts of Union law.	(a) whether the institution will be able to comply and continue to comply with the prudential requirements set out in this Directive and Regulation (EU) No 575/2013, and where applicable, other acts of Union law.	<i>deleted</i>
201	(b) whether there are reasonable grounds to suspect that, in connection with the intended operation, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been	(b) whether there are reasonable grounds to suspect that, in connection with the intended operation, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been	<i>deleted</i>

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	committed or attempted, or that the proposed acquisition could increase the risk thereof.	committed or attempted, or that the proposed acquisition could increase the risk thereof.	
202	2. For the purposes of assessing the criterion laid down in paragraph 1, point (b), competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings under Directive (EU) 2015/849.	2. For the purposes of assessing the criterion laid down in paragraph 1, point (b), competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings under Directive (EU) 2015/849.	<i>deleted</i>
203	3. The competent authorities may oppose the intended operation only where the criteria set out in paragraph 1 are not met or where the information provided by the institution is incomplete despite a request made in accordance with Article 27f.	3. The competent authorities may oppose the intended operation only where the criteria set out in paragraph 1 are not met or where the information provided by the institution is incomplete despite a request made in accordance with Article 27f.	<i>deleted</i>
204	With regard to the criterion laid down in paragraph 1, point (b), an objection in writing by the competent authorities under Directive (EU) 2015/849 shall constitute a reasonable ground for opposition.	With regard to the criterion laid down in paragraph 1, point (b), <del>an objection in writing</del> <u>a negative opinion</u> by the competent authorities under Directive (EU) 2015/849 <u>received by the competent authorities within 30 days of the initial request</u> shall <u>be duly considered by the competent authorities when assessing the proposed acquisition and may</u> constitute a reasonable ground for opposition.	<i>deleted</i>



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205	4. Member States may neither subject the intended operation to meeting a specified level or amount, nor allow their competent authorities to examine the intended operation in terms of the economic needs of the market.	4. Member States may neither subject the intended operation to meeting a specified level or amount, nor allow their competent authorities to examine the intended operation in terms of the economic needs of the market.	<i>deleted</i>
206	5. Member States shall publish a list of information items that are necessary to carry out the assessment referred to in paragraph 1. That information shall be provided to the competent authorities at the time of the notification referred to in Article 27f(1). Member States shall not require information that is not relevant for a prudential assessment of the intended operation.	5. Member States shall publish a list of information items that are necessary to carry out the assessment referred to in paragraph 1. That information shall be provided to the competent authorities at the time of the notification referred to in Article 27f(1). Member States shall not require information that is not relevant for a prudential assessment of the intended operation.	<i>deleted</i>
206a		<u><i>The list referred to in the first subparagraph shall not prevent competent authorities to ask for additional information that is necessary to ensure that the intended operation complies with the criteria defined in paragraph 1 of this Article.</i></u>	
207	Article 27h Cooperation between competent authorities	Article 27h Cooperation between competent authorities	<i>deleted</i>

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208	1. The relevant competent authorities shall consult each other when carrying out the assessment referred to in Article 27g where the parties involved in the intended operation are one of the following:	1. The relevant competent authorities shall consult each other when carrying out the assessment referred to in Article 27g where the parties involved in the intended operation are one of the following:	<i>deleted</i>
209	(a) a credit institution, insurance undertaking, reinsurance undertaking, investment firm or a management company within the meaning of Article 2(1), point (b) of Directive 2009/65/EC (“UCITS management company”) authorised in another Member State or in a sector other than that in which the acquisition is proposed;	(a) a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>asset</del> management company <del>within the meaning of Article 2(1), point (b) of Directive 2009/65/EC (“UCITS management company”)</del> authorised in another Member State or in a sector other than that in which the acquisition is proposed;	<i>deleted</i>
210	(b) a parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, investment firm or a management company within the meaning of Article 2(1), point (b) of Directive 2009/65/EC (“UCITS management company”) authorised in another Member State or in a sector other than that in which the acquisition is proposed;	(b) a parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>asset</del> management company <del>within the meaning of Article 2(1), point (b) of Directive 2009/65/EC (“UCITS management company”)</del> authorised in another Member State or in a sector other than that in which the acquisition is proposed;	<i>deleted</i>
211	(c) a legal person controlling a credit institution, insurance undertaking, reinsurance undertaking, investment firm or UCITS	(c) a legal person controlling a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>UCITS</del> asset	<i>deleted</i>

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	management company authorised in another Member State or in a sector other than that in which the acquisition is proposed.	management company authorised in another Member State or in a sector other than that in which the acquisition is proposed.	
212	2. Competent authorities shall, without undue delay, provide each other with any information which is essential or relevant for the assessment. For these purposes, competent authorities shall communicate to each other upon request or on their own initiative all relevant information for the assessment.	2. Competent authorities shall, without undue delay, provide each other with any information which is essential or relevant for the assessment. For these purposes, competent authorities shall communicate to each other upon request or on their own initiative all relevant information for the assessment.	<i>deleted</i>
213	3. The competent authorities shall seek to coordinate their assessments, ensure the consistency of their decisions, and shall indicate in their decisions any views or reservations made by the competent authority supervising other entities involved in the intended operation.	3. The competent authorities shall seek to coordinate their <del>assessments</del> <u>assessment</u> , <u>and</u> ensure the consistency of their decisions. <u>Moreover, the competent authorities</u> , <del>and</del> shall indicate in their decisions any views or reservations made by the competent authority supervising other entities involved in the intended operation.	<i>deleted</i>
214	4. EBA shall develop draft implementing technical standards to establish common procedures, forms and templates for the consultation process between the relevant competent authorities as referred to in this Article.	4. EBA shall develop draft implementing technical standards to establish common procedures, forms and templates for the consultation process between the relevant competent authorities as referred to in this Article.	<i>deleted</i>

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215	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].	<i>deleted</i>
216	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	<i>deleted</i>
217	Article 27i Information obligations and penalties	Article 27i Information obligations and penalties	<i>deleted</i>
218	Member States shall require that, where the institutions fail to notify the intended operation in advance in accordance with Article 27f(1), or has performed the intended operation as referred to that Article despite opposition by the competent authorities, the competent authorities take appropriate measures. Such measures may consist in injunctions, periodic penalty payments, penalties, subject to Articles 65 to 72, against members of the management body and managers.	Member States shall require that, where the institutions fail to notify the intended operation in advance in accordance with Article 27f(1), or has performed the intended operation as referred to that Article despite opposition by the competent authorities, the competent authorities take appropriate measures. Such measures may consist <del>in</del> of injunctions, periodic penalty payments, penalties, subject to Articles 65 to 72, against members of the management body and managers.	<i>deleted</i>

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219	CHAPTER 5	CHAPTER 5	CHAPTER 5
220	Mergers and divisions	Mergers and divisions	Mergers and divisions
221	Article 27j Definitions	Article 27j Definitions	Article 27j Definitions
222	For the purposes of this Chapter, the following definitions shall apply:	For the purposes of this Chapter, the following definitions shall apply:	For the purposes of this Chapter, the following definitions shall apply:
223	(a) ‘merger’ means any of the following operations whereby:	(a) ‘merger’ means any of the following operations whereby:	(a) ‘merger’ means any of the following operations whereby:
224	(i) one or more companies, on being dissolved without going into liquidation, transfer all or parts of their assets and liabilities to another existing company, in exchange for the issue to their members of securities or shares representing the capital of that other company and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or	(i) one or more companies, on being dissolved without going into liquidation, transfer all or parts of their assets and liabilities to another existing company, in exchange for the issue to their members of securities or shares representing the capital of that other company and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or	(i) one or more companies, on being dissolved without going into liquidation, transfer all or parts of their assets and liabilities to another existing company, in exchange for the issue to their members of securities or shares representing the capital of that other company and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or

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	shares;	shares;	shares;
225	(ii) one or more companies, on being dissolved without going into liquidation, transfer all or parts their assets and liabilities to another existing company, the acquiring company, without the issue of any new shares by the acquiring company, provided that one person holds directly or indirectly all the shares in the merging companies or the members of the merging companies hold their securities and shares in the same proportion in all merging companies;	(ii) one or more companies, on being dissolved without going into liquidation, transfer all or parts their assets and liabilities to another existing company, the acquiring company, without the issue of any new shares by the acquiring company, provided that one person holds directly or indirectly all the shares in the merging companies or the members of the merging companies hold their securities and shares in the same proportion in all merging companies;	(ii) one or more companies, on being dissolved without going into liquidation, transfer all or parts their assets and liabilities to another existing company, the acquiring company, without the issue of any new shares by the acquiring company, provided that one person holds directly or indirectly all the shares in the merging companies or the members of the merging companies hold their securities and shares in the same proportion in all merging companies;
226	(iii) two or more companies, on being dissolved without going into liquidation, transfer all or parts of their assets and liabilities to a company that they form in exchange for the issue to their members of securities or shares representing the capital of that new company and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;	(iii) two or more companies, on being dissolved without going into liquidation, transfer all or parts of their assets and liabilities to a company that they form in exchange for the issue to their members of securities or shares representing the capital of that new company and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;	(iii) two or more companies, on being dissolved without going into liquidation, transfer all or parts of their assets and liabilities to a company that they form in exchange for the issue to their members of securities or shares representing the capital of that new company and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;
227	(iv) a company, on being dissolved without	(iv) a company, on being dissolved without	(iv) a company, on being dissolved without

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	going into liquidation, transfers all or parts of its assets and liabilities to the company holding all the securities or shares representing its capital.	going into liquidation, transfers all or parts of its assets and liabilities to the company holding all the securities or shares representing its capital.	going into liquidation, transfers all or parts of its assets and liabilities to the company holding all the securities or shares representing its capital.
228	(b) ‘division’ means any of the following operations:	(b) ‘division’ means any of the following operations:	(b) ‘division’ means any of the following operations:
229	(i) an operation whereby, after being wound up without going into liquidation, a company transfers to more than one company all its assets and liabilities in exchange for the allocation to the shareholders of the company being divided of shares in the companies receiving contributions as a result of the division and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;	(i) an operation whereby, after being wound up without going into liquidation, a company transfers to more than one company all its assets and liabilities in exchange for the allocation to the shareholders of the company being divided of shares in the companies receiving contributions as a result of the division and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;	(i) an operation whereby, after being wound up without going into liquidation, a company transfers to more than one company all its assets and liabilities in exchange for the allocation to the shareholders of the company being divided of shares in the companies receiving contributions as a result of the division and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;
230	(ii) an operation whereby, after being wound up without going into liquidation, a company transfers to more than one newly-formed company all its assets and liabilities in exchange for the allocation to the shareholders of the company being divided of shares in the	(ii) an operation whereby, after being wound up without going into liquidation, a company transfers to more than one newly-formed company all its assets and liabilities in exchange for the allocation to the shareholders of the company being divided of shares in the	(ii) an operation whereby, after being wound up without going into liquidation, a company transfers to more than one newly-formed company all its assets and liabilities in exchange for the allocation to the shareholders of the company being divided of shares in the

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	recipient companies, and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;	recipient companies, and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;	recipient companies, and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;
231	(iii) an operation consisting in a combination of operations described under points (i) and (ii);	(iii) an operation consisting in a combination of operations described under points (i) and (ii);	(iii) an operation consisting in a combination of operations described under points (i) and (ii);
232	(iv) an operation whereby a company being divided transfers part of its assets and liabilities to one or more recipient companies, in exchange for the issue to the shareholders of the company being divided of shares in the recipient companies, in the company being divided or in both the recipient companies and the company being divided, and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;	(iv) an operation whereby a company being divided transfers part of its assets and liabilities to one or more recipient companies, in exchange for the issue to the shareholders of the company being divided of shares in the recipient companies, in the company being divided or in both the recipient companies and the company being divided, and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;	(iv) an operation whereby a company being divided transfers part of its assets and liabilities to one or more recipient companies, in exchange for the issue to the shareholders of the company being divided of shares in the recipient companies, in the company being divided or in both the recipient companies and the company being divided, and, where applicable, a cash payment not exceeding 10 % of the nominal value (unless stated otherwise by the applicable national law), or, in the absence of a nominal value, of the accounting par value of those securities or shares;
233	(v) an operation whereby a company being divided transfers part of its assets and liabilities to one or more recipient companies, in	(v) an operation whereby a company being divided transfers part of its assets and liabilities to one or more recipient companies, in	(v) an operation whereby a company being divided transfers part of its assets and liabilities to one or more recipient companies, in



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	exchange for the issue to the company being divided of securities or shares in the recipient companies.	exchange for the issue to the company being divided of securities or shares in the recipient companies.	exchange for the issue to the company being divided of securities or shares in the recipient companies.
234	Article 27k Notification and assessment of the merger or division	Article 27k Notification and assessment of the merger or division	Article 27k Notification and assessment of the merger or division
235	1. Member States shall require institutions, parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies, EU parent mixed financial holding companies, or financial holding companies and mixed financial holding companies required to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis (the ‘financial stakeholders’) carrying out a merger or division (the “proposed operation”), to notify in advance of the completion of the proposed operation the competent authorities which will be responsible for the supervision of the entities resulting from such proposed operation, indicating the relevant information, as specified in accordance with Article 27l(4).	1. Member States shall require <del>institutions, parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies, EU parent mixed financial holding companies, or financial holding companies and mixed financial holding companies</del> <b>any institution or any financial holding companies in a Member State, EU parent financial holding companies, or financial holding companies and company</b> or mixed financial holding <del>companies required to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis</del> <b>company within the scope of</b> Article 21a(1) <del>on a sub-consolidated basis</del> (the ‘financial stakeholders’) carrying out a merger or division (the "proposed operation"), to notify in advance of the completion of the proposed operation the competent authorities which will be responsible for the supervision of the entities resulting from such proposed operation, indicating the relevant information, as specified in accordance with Article 27l(4).	1. Member States shall require institutions, parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies, EU parent mixed financial holding companies, or <b>other</b> financial holding companies and mixed financial holding companies <b>that are obliged</b> <del>required</del> to seek for approval in accordance with Article 21a(1) on a sub-consolidated basis (the ‘financial stakeholders’) carrying out a merger or division (the "proposed operation"), to notify <b>after the adoption of the draft terms of the proposed operation and</b> in advance of the completion of the proposed operation the competent authorities which will be responsible for the supervision of the entities resulting from such proposed operation, indicating the relevant information, as specified in accordance with Article 27l(4) <del>l(5)</del> . <b>The competent authorities shall carry out the assessment provided for in Article 27l(1) (the "assessment").</b>

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235a			<b>By way of derogation of the first paragraph mergers and divisions that result from the application of Directive 2014/59/EU shall not be subject to the obligations of this chapter.</b>
235b	<p>For the purpose of the first sub-paragraph, in case the proposed operation consists in a division, the competent authority in charge of the supervision of the entity carrying out the proposed operation shall be the competent authority to be notified and in charge of the assessment.</p> <p>Moved reference text</p>		<p>For the purpose of the first sub-paragraph; in case the proposed operation consists <del>in</del> of a division, the competent authority in charge of the supervision of the entity carrying out the proposed operation shall be the competent authority to be notified and in charge of the assessment.</p> <p>Moved from row 239 [239 - 235b]</p> <p>Moved from row 239</p>
236	<p>For the purpose of the first sub-paragraph, the ECB shall considered as the competent authority to be notified and in charge the assessment when the entities resulting from the proposed operation would meet on a consolidated bases any of the following conditions:</p>	<i>deleted</i>	<i>deleted</i>
237	(a) the total value of its assets exceeds EUR 30		

	Commission Proposal	EP Mandate	Council Mandate
	billion;	<i>deleted</i>	<i>deleted</i>
238	(b) the ratio of its total assets over the GDP of the participating Member State of establishment exceeds 20%, unless the total value of its assets is below EUR 5 billion.	<i>deleted</i>	<i>deleted</i>
239	For the purpose of the first sub-paragraph, in case the proposed operation consists in a division, the competent authority in charge of the supervision of the entity carrying out the proposed operation shall be the competent authority to be notified and in charge of the assessment.	<i>deleted</i>	Moved to row 235b [239 - 235b] Moved to row 235b
240	2. The competent authorities shall acknowledge receipt of the notification referred to in paragraph 1 or of the additional information submitted in accordance with paragraph 3 promptly and in any event within 10 working days following receipt of the notification or of the additional information.	2. The competent authorities shall acknowledge receipt of the notification referred to in paragraph 1 or of the additional information submitted in accordance with paragraph 3 promptly and in any event within 10 working days following receipt of the notification or of the additional information.	2. The competent authorities shall acknowledge, <b>in writing, the</b> receipt of the notification referred to in paragraph 1 or of the additional information submitted in accordance with paragraph 3 promptly and in any event within 10 working days following receipt of the notification or of the additional information.
241	Where the proposed operation involves only financial stakeholders from the same group, the competent authorities shall have a maximum of	Where the proposed operation involves only financial stakeholders from the same group, the competent authorities shall have a maximum of	Where the proposed operation <del>involves only financial stakeholders from the same group</del> <b>consists of a division</b> , the competent

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	60 working days as from the date of the written acknowledgement of receipt of the notification and all documents required by the Member State to be attached to the notification in accordance with Article 271(5) ("the assessment period"), to carry out the assessment provided for in Article 271(1).	60 working days as from the date of the written acknowledgement of receipt of the notification and all documents required by the Member State to be attached to the notification in accordance with Article 271(5) ("the assessment period"), to carry out the assessment provided for in Article 271(1).	<del>authorities</del> <b>authority</b> shall have a maximum of 60 working days as from the date of the written acknowledgement of receipt of the notification and all documents required by the Member State to be attached to the notification in accordance with Article 271(5) ("the assessment period"), to carry out the assessment provided for in Article 271(1).
242	The competent authority shall inform the financial stakeholder of the date of the expiry of the assessment period at the time of acknowledging receipt.	The competent authority shall inform the financial stakeholder of the date of the expiry of the assessment period at the time of acknowledging receipt.	The competent authority shall inform the financial stakeholder of the date of the expiry of the assessment period at the time of acknowledging receipt.
243	3. Competent authorities may request further information that is necessary to complete the assessment. Such a request shall be made in writing and shall specify the additional information needed.	3. Competent authorities may request further information that is necessary to complete the assessment. Such a request shall be made in writing and shall specify the additional information needed.	3. Competent authorities may request further information that is necessary to complete the assessment. Such a request shall be made in writing and shall specify the additional information needed.
244	Where the proposed operation involves only financial stakeholders from the same group, competent authorities may request additional information by no later than the fiftieth working day of the assessment period.	Where the proposed operation involves only financial stakeholders from the same group, competent authorities may request additional information by no later than the fiftieth working day of the assessment period.	Where the proposed operation <del>involves only financial stakeholders from the same group,</del> <b>consists of a division</b> , the competent <del>authorities</del> <b>authority</b> may request additional information by no later than the fiftieth working day of the assessment period.

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245	For the period between the date of request of additional information by the competent authorities and the receipt of a response thereto by the financial stakeholders providing all the requested information, the assessment period shall be suspended. The suspension shall not exceed 20 working days. Any further requests by the competent authorities for completion or clarification of the provided information shall be at their discretion but shall not result in a suspension of the assessment period.	For the period between the date of request of additional information by the competent authorities and the receipt of a response thereto by the financial stakeholders providing all the requested information, the assessment period shall be suspended. The suspension shall not exceed 20 working days. Any further requests by the competent authorities for completion or clarification of the provided information shall be at their discretion but shall not result in a suspension of the assessment period.	For the period between the date of request of additional information by the competent authorities and the receipt of a response thereto by the financial stakeholders providing all the requested information, the assessment period shall be suspended. The suspension shall not exceed 20 working days. Any further requests by the competent authorities for completion or clarification of the provided information shall be at their discretion but shall not result in a suspension of the assessment period.
246	4. By way of derogation from paragraph 3, third subparagraph, competent authorities may extend the suspension referred to therein to a maximum of 30 working days in the following cases:	4. By way of derogation from paragraph 3, third subparagraph, competent authorities may extend the suspension referred to therein to a maximum of 30 working days in the following cases:	4. By way of derogation from paragraph 3, third subparagraph, competent authorities may extend the suspension referred to therein to a maximum of 30 working days in the following cases:
247	(a) the entity acquired is situated or regulated in a third country;	(a) the entity acquired is situated or regulated in a third country;	(a) <del>the entity acquired is</del> <b>one or multiple financial stakeholders</b> are situated or regulated in a third country;
248	(b) an exchange of information with authorities responsible for supervising the obliged entities referred to in Article 2(1), points (1) and (2), of Directive (EU) 2015/849 is necessary to perform the assessment foreseen	(b) an exchange of information with authorities responsible for supervising the obliged entities referred to in Article 2(1), points (1) and (2), of Directive (EU) 2015/849 is necessary to perform the assessment foreseen	(b) an exchange of information with authorities responsible for supervising the obliged entities referred to in Article 2(1), points (1) and (2), of Directive (EU) 2015/849 is necessary to perform the assessment foreseen

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	under Article 27l(1) of this Directive.	under Article 27l(1) of this Directive.	under Article 27l(1)k(1) of this Directive.
249	5. The proposed operations shall not be completed before the issuance of a positive opinion by the competent authorities.	5. The proposed operations shall not be completed before the issuance of a positive opinion by the competent authorities.	5. The proposed operations shall not be completed before the issuance of a positive opinion by the competent authorities.
250	6. The competent authorities shall, within two working days from the completion of their assessment, issue in writing a motivated positive or negative opinion to the financial stakeholders. Subject to national law, an appropriate statement of the reasons for the opinion may be made accessible to the public at the request of the financial stakeholders. This shall not prevent a Member State from allowing the competent authority to publish such information in the absence of a request by the financial stakeholder.	6. The competent authorities shall, within two working days from the completion of their assessment, issue in writing a motivated positive or negative opinion to the financial stakeholders. Subject to national law, an appropriate statement of the reasons for the opinion may be made accessible to the public at the request of the financial stakeholders. This shall not prevent a Member State from allowing the competent authority to publish such information in the absence of a request by the financial stakeholder.	6. The competent authorities shall, within two working days from the completion of their assessment, issue in writing a motivated positive or negative opinion to the financial stakeholders. <del>Subject to national law, an appropriate statement of the reasons for the opinion may be made accessible to the public at the request of the financial stakeholders. This shall not prevent a Member State from allowing the competent authority to publish such information in the absence of a request by the financial stakeholder.</del>
251	The financial stakeholders shall transmit the motivated opinion issued by their competent authorities under the first subparagraph to the authorities in charge, under the national law, of the scrutiny of the proposed operation.	The financial stakeholders shall transmit the motivated opinion issued by their competent authorities under the first subparagraph to the authorities in charge, under the national <u>corporate and/or civil</u> law, of the scrutiny of the proposed operation.	The financial stakeholders shall transmit the motivated opinion issued by their competent authorities under the first subparagraph to the authorities in charge, under the national law, of the scrutiny of the proposed operation.
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	7. When the proposed operation involves only financial stakeholders from the same group, and the competent authorities do not oppose the proposed operation within the assessment period in writing, the opinion shall be deemed to be positive.	7. When the proposed operation involves only financial stakeholders from the same group, and the competent authorities do not oppose the proposed operation within the assessment period in writing, the opinion shall be deemed to be positive.	7. When the proposed operation <del>involves only financial stakeholders from the same group</del> <b>consists of a division</b> , and the competent <del>authorities do</del> <b>authority does</b> not oppose the proposed operation within the assessment period in writing, the opinion shall be deemed to be positive.
253	8. The positive opinion issued by the competent authority may be limited in time.	8. The positive opinion issued by the competent authority may be limited in time.	8. The positive opinion issued by the competent authority may be <b>time</b> limited <del>in time</del> .
254	9. Member States shall not impose requirements related to notification and approval as described in this Chapter that are more stringent than those set out herein.	9. Member States shall not impose requirements related to notification and approval as described in this Chapter that are more stringent than those set out herein.	<i>deleted</i>
255	10. This Chapter is without prejudice to the application of the Council Regulation (EC) No 139/2004* <sup>8</sup> and Directive (EU) 2017/1132 of the European Parliament and of the Council.	10. This Chapter is without prejudice to the application of the Council Regulation (EC) No 139/2004* <sup>8</sup> and Directive (EU) 2017/1132 of the European Parliament and of the Council.	<del>10.9.</del> This Chapter is without prejudice to the application of the Council Regulation (EC) No 139/2004* <sup>8</sup> and Directive (EU) 2017/1132 of the European Parliament and of the Council.  <b>*8. Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation).</b>
256	11. The assessment under Article 27k(1) shall	11. The assessment under Article 27k(1) shall	<del>11.10.</del> The assessment under Article 27k(1)

	Commission Proposal	EP Mandate	Council Mandate
	not be performed where the proposed operation requires an authorisation in accordance with Article 8, or an approval in accordance with Article 21a.	not be performed where the proposed operation requires an authorisation in accordance with Article 8, or an approval in accordance with Article 21a.	shall not be performed where the proposed operation requires an authorisation in accordance with Article 8, or an approval in accordance with Article 21a.
257	_____	_____	<i>deleted</i>
258	* <sup>8</sup> Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation).	* <sup>8</sup> Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation).	<i>deleted</i>
258a			<b>11. By way of derogation from paragraph 1, when the proposed operation is a merger that only involves financial stakeholders from the same group, including a group of credit institutions that are permanently affiliated to a central body and which is supervised as a group, Article 27k shall not apply</b>
259	Article 271 Assessment criteria	Article 271 Assessment criteria	Article 271 Assessment criteria
260			



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	1. In assessing the notification provided for in Article 27k(1) and the information referred to in Article 27k(3), competent authorities shall, in order to ensure the soundness of the prudential profile of the financial stakeholders after the completion of the proposed operation and in particular the risks to which the financial stakeholder is or might be exposed in the course of the proposed operation and the risks to which the financial stakeholder resulting from the proposed operation might be exposed, assess the proposed operation in accordance with the following criteria:	1. In assessing the notification provided for in Article 27k(1) and the information referred to in Article 27k(3), competent authorities shall, in order to ensure the soundness of the prudential profile of the financial stakeholders after the completion of the proposed operation and in particular the risks to which the financial stakeholder is or might be exposed in the course of the proposed operation and the risks to which the financial stakeholder resulting from the proposed operation might be exposed, assess the proposed operation in accordance with the following criteria:	1. In assessing the notification provided for in Article 27k(1) and the information referred to in Article 27k(3), competent authorities shall, in order to ensure the soundness of the prudential profile of the financial stakeholders after the completion of the proposed operation and in particular the risks to which the financial stakeholder is or might be exposed in the course of the proposed operation and the risks to which the financial stakeholder resulting from the proposed operation might be exposed, assess the proposed operation in accordance with the following criteria:
261	(a) the reputation of entities involved in the proposed operation;	(a) the reputation of entities involved in the proposed operation;	(a) the reputation of entities involved in the proposed operation;
262	(b) the sufficiently good repute and sufficient knowledge, skills and experience, as set out in Article 91(1), of any member of the management body who will direct the business of the financial stakeholder resulting from the proposed operation;	(b) the sufficiently good repute and sufficient knowledge, skills and experience, as set out in Article 91(1), of any member of the management body who will direct the business of the financial stakeholder resulting from the proposed operation;	<i>deleted</i>
263	(c) the financial soundness of entities involved in the proposed operation, in particular in relation to the type of business pursued and envisaged for the financial stakeholder	(c) the financial soundness of entities involved in the proposed operation, in particular in relation to the type of business pursued and envisaged for the financial stakeholder	<del>(e)</del> (b) the financial soundness of entities involved in the proposed operation, in particular in relation to the type of business pursued and envisaged for the financial

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	resulting from the proposed operation;	resulting from the proposed operation;	stakeholder resulting from the proposed operation;
264	(d) whether the entity resulting from the proposed operation will be able to comply and continue to comply with the prudential laid down in this Directive and Regulation (EU) No 575/2013, and where applicable, other acts of Union law, in particular Directives 2002/87/EC and 2009/110/EC;	(d) whether the entity resulting from the proposed operation will be able to comply and continue to comply with the prudential <u>requirements</u> laid down in this Directive and Regulation (EU) No 575/2013, and where applicable, other acts of Union law, in particular Directives 2002/87/EC and 2009/110/EC;	<del>(d)</del> (c) whether the entity resulting from the proposed operation will be able to comply and continue to comply with the prudential <b>requirements</b> laid down in this Directive and Regulation (EU) No 575/2013, and where applicable, other acts of Union law, in particular Directives 2002/87/EC and 2009/110/EC;
265	(e) whether the implementation plan of the proposed operation is realistic, sound and efficient from a prudential perspective;	(e) whether the implementation plan of the proposed operation is realistic, sound and efficient from a prudential perspective;	<del>(e)</del> (d) whether the implementation plan of the proposed operation is realistic, <del>sound and efficient</del> <b>and sound</b> from a prudential perspective;
266	(f) whether there are reasonable grounds to suspect that, in connection with the proposed operation, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or that the proposed operation could increase the risk thereof.	(f) whether there are reasonable grounds to suspect that, in connection with the proposed operation, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or that the proposed operation could increase the risk thereof.	<del>(f)</del> (e) whether there are reasonable grounds to suspect that, in connection with the proposed operation, money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or that the proposed operation could increase the risk thereof.
267	The implementation plan referred to in point	The implementation plan referred to in point	The implementation plan referred to in point

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	(d) shall be subject to appropriate monitoring by the competent authority until completion of the proposed operation.	<del>(d)</del> (e) shall be subject to appropriate monitoring by the competent authority until completion of the proposed operation.	<del>(d)</del> (e) shall be subject to appropriate monitoring by the competent authority until completion of the proposed operation.
268	2. For the purposes of assessing the criterion laid down in paragraph 1, point (f), competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings under Directive (EU) 2015/849.	2. For the purposes of assessing the criterion laid down in paragraph 1, point (f), competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings under Directive (EU) 2015/849.	2. For the purposes of assessing the criterion laid down in paragraph 1, point <del>(f)</del> (e), competent authorities shall consult, in the context of their verifications, the authorities competent for the supervision of the undertakings under Directive (EU) 2015/849.
269	3. The competent authorities may issue a negative opinion to the proposed operation only if the criteria set out in paragraph 1 are not met or where the information provided by the financial stakeholder is incomplete despite a request made in accordance with Article 27k.	3. The competent authorities may issue a negative opinion to the proposed operation only if the criteria set out in paragraph 1 are not met or where the information provided by the financial stakeholder is incomplete despite a request made in accordance with Article 27k.	3. The competent authorities may issue a negative opinion to the proposed operation only if the criteria set out in paragraph 1 are not met or where the information provided by the financial stakeholder is incomplete despite a request made in accordance with Article <del>27k</del> 27k(3).
270	With regard to the criterion laid down in paragraph 1, point (f), an objection in writing by the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849 shall constitute a reasonable ground for negative opinion.	With regard to the criterion laid down in paragraph 1, point (f), an objection <del>in writing</del> by the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849 <u>received by the competent authorities within 30 days of the initial request</u> shall <u>be duly considered by the competent authorities when assessing the</u>	With regard to the criterion laid down in paragraph 1, point (f), an objection in writing by the authorities competent for the supervision of the undertakings in line with Directive (EU) 2015/849 shall constitute a reasonable ground for negative opinion.

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		<i>proposed acquisition and may</i> constitute a reasonable ground for negative opinion.	
271	4. Member States shall not allow their competent authorities to examine the proposed operation in terms of the economic needs of the market.	4. Member States shall not allow their competent authorities to examine the proposed operation in terms of the economic needs of the market.	4. Member States shall not allow their competent authorities to examine the proposed operation in terms of the economic needs of the market.
272	5. Member States shall publish a list of information items that are necessary to carry out the assessment referred to in Article 27k(1) and that must be provided to the competent authorities at the time of notification referred to that Article. The information required shall be proportionate and appropriate to the proposed operation. Member States shall not require information that is not relevant for a prudential assessment.	5. Member States shall publish a list of information items that are necessary to carry out the assessment referred to in Article 27k(1) and that must be provided to the competent authorities at the time of notification referred to that Article. The information required shall be proportionate and appropriate to the proposed operation. Member States shall not require information that is not relevant for a prudential assessment.	5. Member States shall publish a list of information items that are necessary to carry out the assessment referred to in Article 27k(1) and that must be provided to the competent authorities at the time of notification referred to that Article. The information required shall be proportionate and appropriate to the proposed operation. Member States shall not require information that is not relevant for a prudential assessment.
273	Article 27m Cooperation between competent authorities	Article 27m Cooperation between competent authorities	Article 27m Cooperation between competent authorities
274	1. The relevant competent authorities shall consult each other when carrying out the assessment referred to in Article 27l where the proposed operation involves, in addition to the	1. The relevant competent authorities shall consult each other when carrying out the assessment referred to in Article 27l where the proposed operation involves, in addition to the	1. The <del>relevant competent authorities</del> <b>authority</b> shall consult <del>each</del> <b>the relevant authorities entrusted with the supervision of other financial sector entities</b> when carrying out the

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	financial stakeholder, entities that are one of the following:	financial stakeholder, entities that are one of the following:	assessment referred to in Article <del>27</del> <b>27k(1)</b> where the proposed operation involves, in addition to the financial stakeholder(s), entities that are one of the following:
275	(a) a credit institution, insurance undertaking, reinsurance undertaking, investment firm or a management company within the meaning of Article 2(1), point (b) of Directive 2009/65/EC ("UCITS management company") authorised in another Member State or in a sector other than that in which the acquisition is proposed;	(a) a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>a</del> <b>asset</b> management company <del>within the meaning of Article 2(1), point (b) of Directive 2009/65/EC ("UCITS management company")</del> authorised in another Member State or in a sector other than that in which the acquisition is proposed;	(a) a credit institution, insurance undertaking, reinsurance undertaking, investment firm or a management company within the meaning of Article 2(1), point (b) of Directive 2009/65/EC ("UCITS <del>a</del> <b>an asset</b> management company") authorised in another Member State or in a sector other than that in which the <del>acquisition is proposed</del> <b>proposed operation is undertaken</b> ;
276	(b) a parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, investment firm or a UCITS management company authorised in another Member State or in a sector other than that in which the acquisition is proposed;	(b) a parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>a UCITS</del> <b>asset</b> management company authorised in another Member State or in a sector other than that in which the acquisition is proposed;	(b) a parent undertaking of a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>a UCITS</del> <b>an asset</b> management company authorised in another Member State or in a sector other than that in which the <del>acquisition is proposed</del> <b>proposed operation is undertaken</b> ;
277	(c) a legal person controlling a credit institution, insurance undertaking, reinsurance undertaking, investment firm or UCITS management company authorised in another Member State or in a sector other than that in which the acquisition is proposed.	(c) a legal person controlling a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>UCITS</del> <b>asset</b> management company authorised in another Member State or in a sector other than that in which the acquisition is proposed.	(c) a legal person controlling a credit institution, insurance undertaking, reinsurance undertaking, investment firm or <del>UCITS</del> <b>an asset</b> management company authorised in another Member State or in a sector other than that in which the <del>acquisition is</del>

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			<del>proposed</del> <b>proposed operation is undertaken .</b>
278	2. The competent authorities shall, without undue delay, provide each other with any information which is relevant for the assessment. In that regard, the competent authorities shall communicate to each other upon request all relevant information and shall communicate on their own initiative all essential information. A decision by the competent authority of the financial stakeholder shall indicate any views or reservations expressed by the competent authority that supervise one or several of the entities listed above and involved in the proposed operation.	2. The competent authorities shall, without undue delay, provide each other with any information which is relevant for the assessment. In that regard, the competent authorities shall communicate to each other upon request all relevant information and shall communicate on their own initiative all essential information. A decision by the competent authority of the financial stakeholder shall indicate any views or reservations expressed by the competent authority that supervise one or several of the entities listed above and involved in the proposed operation.	2. The competent authorities shall, without undue delay, provide each other with any information which is relevant for the assessment. In that regard, the competent authorities shall communicate to each other upon request all relevant information and shall communicate on their own initiative all essential information. A decision by the competent authority of the financial stakeholder shall indicate any views or reservations expressed by the competent authority that supervise one or <del>several</del> <b>more</b> of the entities listed above and involved in the proposed operation.
279	3. The competent authorities shall seek to coordinate their assessments, ensure the consistency of their opinions, and shall indicate in their opinions any views or reservations made by the competent authority supervising other financial stakeholders.	3. <del>3.</del> The competent authorities shall seek to coordinate their <del>assessments</del> <u>assessment and</u> ensure the consistency of their opinions. <u>Moreover, the competent authorities</u> <del>and</del> shall indicate in their opinions any views or reservations made by the competent authority supervising other financial stakeholders.	3. The competent authorities shall seek to coordinate their assessments, ensure the consistency of their opinions, and shall indicate in their opinions any views or reservations made by the competent authority supervising other financial stakeholders.
280	4. EBA shall develop draft implementing technical standards to establish common procedures, forms and templates for the	4. EBA shall develop draft implementing technical standards to establish common procedures, forms and templates for the	4. EBA shall develop draft implementing technical standards to establish common procedures, forms and templates for the

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	consultation process between the relevant competent authorities as referred to in this Article.	consultation process between the relevant competent authorities as referred to in this Article.	consultation process between the relevant competent authorities as referred to in this Article.
281	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 18 months from the date of entry into force of this amending Directive].
282	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.
283	Article 27n Information obligations and penalties	Article 27n Information obligations and penalties	Article 27n Information obligations and penalties
284	Member States shall require that, where the financial stakeholders fail to provide prior notification of the proposed operation in accordance with Article 27k(1) or have carried out the proposed operation as referred to that Article without prior positive opinion by the competent authorities, the competent authorities shall take appropriate measures.	Member States shall require that, where the financial stakeholders fail to provide prior notification of the proposed operation in accordance with Article 27k(1) or have carried out the proposed operation as referred to that Article without prior positive opinion by the competent authorities, the competent authorities shall take appropriate measures.	Member States shall require that, where the financial stakeholders fail to provide prior notification of the proposed operation in accordance with Article 27k(1) or have carried out the proposed operation as referred to that Article without prior positive opinion by the competent authorities, the competent authorities shall take appropriate measures.

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	Such measures may consist in injunctions, periodic penalty payments, penalties, subject to Articles 65 to 72, against members of the management body and managers of the financial stakeholders or of the entity resulting from the proposed operation.;	Such measures may consist in injunctions, periodic penalty payments, penalties, subject to Articles 65 to 72, against members of the management body and managers of the financial stakeholders or of the entity resulting from the proposed operation.;	<del>Such measures may consist in injunctions, periodic penalty payments, penalties, subject to Articles 65 to 72, against members of the management body and managers of the financial stakeholders or of the entity resulting from the proposed operation.;</del>
285	(8) Title VI is replaced by the following:	(8) Title VI is replaced by the following:	(8) Title VI is replaced by the following:
286	‘ Title VI PRUDENTIAL SUPERVISION OF THIRD COUNTRY BRANCHES AND RELATIONS WITH THIRD COUNTRIES’	‘ Title VI PRUDENTIAL SUPERVISION OF THIRD COUNTRY BRANCHES AND RELATIONS WITH THIRD COUNTRIES’	‘ Title VI PRUDENTIAL SUPERVISION OF THIRD COUNTRY BRANCHES AND RELATIONS WITH THIRD COUNTRIES’
287	CHAPTER 1	CHAPTER 1	
288	Prudential supervision of third-country branches	Prudential supervision of third-country branches	Prudential supervision of third-country branches
289	Section I	Section I	Section I
290			



	Commission Proposal	EP Mandate	Council Mandate
	General provisions	General provisions	General provisions
291	Article 47 Scope and definition	Article 47 Scope and definition	Article 47 Scope and definition
292	1. This Chapter lays down the rules concerning the carrying out in a Member State of:	1. This Chapter lays down the <del>rules</del> <u>minimum requirements</u> concerning the carrying out in a Member State of <u>the following activities by a third-country branch</u> :	1. <b>1.</b> This Chapter lays down the <del>rules</del> <u>minimum requirements</u> concerning the carrying out in a Member State of: <b>the activities of a third country branch.</b>
293	(a) any of the activities listed in Annex I to this Directive by an undertaking established in a third country;	(a) any of the activities <del>listed in</del> <u>referred to in points 2 to 6 and 13 to 15 of</u> Annex I to this Directive by an undertaking established in a third country <u>that would qualify as a credit institution or that would fulfil the criteria laid down in points (i) to (iii) of Article 4(1), point (b) of Regulation (EU) 575/2013, if it were established in the Union</u> ;	<i>deleted</i>
294	(b) the activities referred to in Article 4(1), point (b), of Regulation (EU) 575/2013, by an undertaking established in a third country that fulfils any of the criteria laid down in points (i) to (iii) of that point.	(b) the <del>activities</del> <u>activity</u> referred to in <del>Article 4(1), point (b), of Regulation (EU) 575/2013,</del> <u>point 1 of Annex I to this Directive</u> by an undertaking established in a third country <del>that fulfils any of the criteria laid down in points (i) to (iii) of that point.</del>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
295	2. By derogation from paragraph 1, where the undertaking in the third country is not a credit institution or an undertaking that meets the criteria of paragraph 1, point (b), the carrying out of any of the activities listed in Annex I, points (4), (5), and (7) to (15), to this Directive by that undertaking in a Member State shall be subject to Title II, Chapter IV, of Directive 2014/65/EU.	2. By derogation from paragraph 1, <del>where the undertaking in the</del> <u>an undertaking established in a</u> third country <del>is not a credit institution or an undertaking that meets the criteria of paragraph 1, point (b), the carrying out of any of the activities</del> <u>providing activities and services listed in Annex I, Section A of Directive 2014/65/EU and the services</u> listed in Annex I, <del>points (4), (5), and (7) to (15), to this Directive by that undertaking in a Member State</del> <u>Section B of Directive 2014/65/EU for the sole purpose of conducting the activities and services listed in Annex I, Section A of Directive 2014/65/EU,</u> shall <u>not be included into the scope outlined in paragraph 1</u> <del>be subject to Title II, Chapter IV, of Directive 2014/65/EU.</del>	<i>deleted</i>
296	3. For the purposes of this Title, the following definitions shall apply:	3. For the purposes of this Title, the following definitions shall apply:	3. For the purposes of this Title, the following definitions shall apply:
297	(a) ‘third country branch’ shall mean branches established in a Member State by either:	(a) ‘third country branch’ shall mean branches established in a Member State by either:	(a) ‘third country branch’ <del>shall mean</del> <b>branches means a branch</b> established in a Member State <b>in accordance with this Title</b> by either:
298	(i) an undertaking which has its head office in	(i) an undertaking which has its head office in	(i) <b>(i)</b> an undertaking <del>which has its head office</del>

	Commission Proposal	EP Mandate	Council Mandate
	a third country, for the purpose of carrying out any of the activities referred to in paragraph 1;	a third country, for the purpose of carrying out any of the activities referred to in paragraph 1;	<del>in a third country</del> <b>established in a third country that would qualify as a credit institution as per Article 4(1)(1)(a) of Regulation (EU) 575/2013 if it were established in a Member State, for the purposes of carrying out any in that Member State both of the services or activities referred to in paragraph 1 listed in Annex I points (1) and (2); or</b>
299	(ii) a credit institution which has its head office in a third country;	(ii) a credit institution which has its head office in a third country;	(ii) <b>an undertaking established in a third country that would qualify as a credit institution which has its head office in a third country; as per Article 4(1)(1)(b) of Regulation (EU) 575/2013 if it were established in a Member State, for the purposes of carrying out in that Member State any of the services or activities referred to in Article 4(1)(1)(b) of Regulation (EU) 575/2013.</b>
300	(b) ‘head undertaking’ shall mean the undertaking with its head office in the third country that has established the third country branch in the Member State, and the undertaking’s intermediate and ultimate parent undertakings, as the case may be.	(b) ‘head undertaking’ shall mean the undertaking with its head office in the third country that has established the third country branch in the Member State, and the undertaking’s intermediate and ultimate parent undertakings, as the case may be.	(b) ‘head undertaking’ shall mean the undertaking with its head office in the third country that has established the third country branch in the Member State, and the undertaking’s intermediate and ultimate parent undertakings, as the case may be.
300a			

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<p><b>4. By [date: 31/12/2025], EBA and ESMA shall submit a joint report to the European Parliament, to the Council and to the Commission on the merit and modalities of harmonising the conditions under which a third country group may be required to set up a branch in a Member State and seek authorisation under Title VI of this Directive in order to provide banking services in that Member State. That report shall take due consideration of the articulation with investment services as regulated by Directive 2014/65/EU and Regulation (EU) No 600/2014. The report shall, at least, consider the existing frameworks for the cross-border provision of banking services in Member States and other jurisdictions and assess:</b></p>
300b			<p><b>(a) the potential risks related to the cross-border provision of each of the services listed in Annex I, by an undertaking established in a third country that would qualify as a credit institution as per Article 4(1)(1) of Regulation (EU) 575/2013 if it were established in a Member State, with a service by service distinction ;</b></p>
300c			<p><b>(b) whether the obligation to set up a branch should be exempted in the case of</b></p>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>services provided to certain categories of counterparties;</b>
300d			<b>(c) the extent to which reverse solicitation can add further flexibility and legal certainty in the framework;</b>
300e			<b>(d) how any other exemptions from the obligation to set up a branch may be regulated.</b>
300f			<b>(e) In drawing up the report EBA and ESMA shall also analyse the available international experience in comparable jurisdictions. The Commission may, if appropriate, submit a legislative proposal to the European Parliament and to the Council, taking into account the recommendations made by EBA and ESMA.</b>
301	Article 48 Prohibition of discrimination	Article 48 Prohibition of discrimination	Article 48 Prohibition of discrimination
302	Member States shall not apply to third country branches, when commencing or continuing to	Member States shall not apply to third country branches, when commencing or continuing to	Member States shall not apply to third country branches, when commencing or continuing to

	Commission Proposal	EP Mandate	Council Mandate
	carry out their business, provisions which result in a more favourable treatment than that accorded to branches of institutions having their head office in another Member State of the European Union.	carry out their business, provisions which result in a more favourable treatment than that accorded to branches of institutions having their head office in another Member State of the European Union.	carry out their business, provisions which result in a more favourable treatment than that accorded to branches of institutions having their head office in another Member State of the European Union.
303	Article 48a Classification of third country branches	Article 48a Classification of third country branches	Article 48a Classification of third country branches
304	1. Member States shall classify third country branches as class 1 where those branches meet any of the following conditions:	1. Member States shall classify third country branches as class 1 where those branches meet any of the following conditions:	1. Member States shall classify third country branches as class 1 where those branches meet any of the following conditions:
305	(a) the total value of the assets booked by the third country branch in the Member State is equal to or higher than EUR 5 billion, as reported for the immediately preceding annual reporting period in accordance with Section II, Sub-section 4;	(a) the total value of the assets booked <i>or originated</i> by the third country branch in the Member State is equal to or higher than EUR 5 billion, as reported for the immediately preceding annual reporting period in accordance with Section II, Sub-section 4;	(a) the total value of the assets booked by the third country branch in the Member State is equal to or higher than EUR 5 billion, as reported for the immediately preceding annual reporting period in accordance with Section II, Sub-section 4;
306	(b) the third country branch's authorised activities include taking deposits and other repayable funds from retail customers;	(b) the third country branch's authorised activities include taking deposits and other repayable funds from retail customers;	(b) the third country branch's authorised activities include taking deposits <del>and</del> <b>or</b> other repayable funds from retail customers, <b>provided that the amount of such deposits and other repayable funds is equal to or higher than 10% of the total liabilities of the</b>

	Commission Proposal	EP Mandate	Council Mandate
			<b>third country branch or the amount of such deposits and other repayable funds exceeds EUR 100 million;</b>
307	(c) the third country branch is not a qualifying third country branch in accordance with Article 48b.	(c) the third country branch is not a qualifying third country branch in accordance with Article 48b.	(c) the third country branch is not a qualifying third country branch in accordance with Article 48b.
308	2. Member States shall classify third country branches that do not meet any of the conditions laid out in paragraph 1 as class 2.	2. Member States shall classify third country branches that do not meet any of the conditions laid out in paragraph 1 as class 2.	2. Member States shall classify third country branches that do not meet any of the conditions laid out in paragraph 1 as class 2.
309	3. Competent authorities shall update the classification of third country branches as follows:	3. Competent authorities shall update the classification of third country branches as follows:	3. Competent authorities shall update the classification of third country branches as follows:
310	(a) where a class 1 third country branch ceases to meet the conditions laid down in paragraph 1, it shall immediately be considered as class 2;	(a) where a class 1 third country branch ceases to meet the conditions laid down in paragraph 1, it shall immediately be considered as class 2;	(a) where a class 1 third country branch ceases to meet the conditions laid down in paragraph 1, it shall immediately be considered as class 2;
311	(b) where a class 2 third country branch starts to meet one of the conditions laid down in paragraph 1, it shall be considered as class 1 only after a period of three months from the date on which it started to meet those	(b) where a class 2 third country branch starts to meet one of the conditions laid down in paragraph 1, it shall be considered as class 1 only after a period of three months from the date on which it started to meet those	(b) where a class 2 third country branch starts to meet one of the conditions laid down in paragraph 1, it shall be considered as class 1 only after a period of <del>three</del> <b>six</b> months from the date on which it started to meet those

	Commission Proposal	EP Mandate	Council Mandate
	conditions.	conditions.	conditions.
311a		<u><i>3a. Member States may apply a stricter regulatory regime to all third country branches or branches from specific third countries. Paragraphs 1 to 3 of this Article shall not apply if the Member State subjects branches from the relevant third country to authorisation requirements and other regulatory requirements in line with the requirements for institutions authorised under this Directive</i></u>	<b>4. Member States may apply to third country branches authorised in their territory, or to certain categories thereof, the same requirements that apply to credit institutions authorised under this Directive, instead of the requirements set out in this Title. Where the treatment laid down in this paragraph only applies to certain categories of third country branches, Member States shall set out the relevant classification criteria for the purposes herein. Paragraphs (1) to (3) shall not apply to those third country branches, except for the purposes of Article 48q.</b>
312	Article 48b Conditions for ‘qualifying third country branches’	Article 48b Conditions for ‘qualifying third country branches’	Article 48b Conditions for ‘qualifying third country branches’
313	1. Where the following conditions are met in relation to a third country branch, that branch shall be regarded as a ‘qualifying third country branch’ for the purposes of this Title:	1. Where the following conditions are met in relation to a third country branch, that branch shall be regarded as a ‘qualifying third country branch’ for the purposes of this Title:	1. Where the following conditions are met in relation to a third country branch, that branch shall be regarded as a ‘qualifying third country branch’ for the purposes of this Title:
314			



	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	(a) the head undertaking of the third country branch is established in a country that applies prudential standards and a supervisory oversight in accordance with the third country's banking regulatory framework that are at least equivalent to this Directive and Regulation (EU) No 575/2013;	(a) the head undertaking of the third country branch is established in a country that applies prudential standards and a supervisory oversight in accordance with the third country's banking regulatory framework that are at least equivalent to this Directive and Regulation (EU) No 575/2013;	(a) the head undertaking of the third country branch is established in a country that applies prudential standards and a supervisory oversight in accordance with the third country's banking regulatory framework that are at least equivalent to this Directive and Regulation (EU) No 575/2013;
315	(b) the supervisory authorities of the third country branch's head undertaking are subject to confidentiality requirements that are at least equivalent to the requirements laid down in Title VII, Chapter 1, Section II of this Directive;	(b) the supervisory authorities of the third country branch's head undertaking are subject to confidentiality requirements that are at least equivalent to the requirements laid down in Title VII, Chapter 1, Section II of this Directive;	(b) the supervisory authorities of the third country branch's head undertaking are subject to confidentiality requirements that are at least equivalent to the requirements laid down in Title VII, Chapter 1, Section II of this Directive;
316	(c) the country where the third country branch's head undertaking is established is not listed as a high-risk third country that has strategic deficiencies in its regime on anti-money laundering and counter terrorist financing, in accordance with Article 9 of Directive (EU) 2015/849;	(c) the country where the third country branch's head undertaking is established is not listed as a high-risk third country that has strategic deficiencies in its regime on anti-money laundering and counter terrorist financing, in accordance with Article 9 of Directive (EU) 2015/849;	(c) the country where the third country branch's head undertaking is established is not listed as a high-risk third country that has strategic deficiencies in its regime on anti-money laundering and counter terrorist financing, in accordance with Article 9 of Directive (EU) 2015/849;
317	2. The Commission may adopt, by means of implementing acts, decisions as to whether the conditions laid down in paragraph 1, points (a) and (b) of this Article are met in relation to a third country's banking regulatory framework.	2. The Commission may adopt, by means of implementing acts, decisions as to whether the conditions laid down in paragraph 1, points (a) and (b) of this Article are met in relation to a third country's banking regulatory framework.	2. The Commission may adopt, by means of implementing acts, decisions as to whether the conditions laid down in paragraph 1, points (a) and (b) of this Article are met in relation to a third country's banking regulatory framework.

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	For those purposes, the Commission shall comply with the examination procedure referred to in Article 464(2) of Regulation (EU) No 575/2013.	For those purposes, the Commission shall comply with the examination procedure referred to in Article 464(2) of Regulation (EU) No 575/2013.	For those purposes, the Commission shall comply with the examination procedure referred to in Article 464(2) of Regulation (EU) No 575/2013.
318	3. Before adopting the decision referred to in paragraph 2, the Commission may request the EBA's assistance in accordance with Article 33 of Regulation (EU) No 1093/2010 to conduct an assessment of the relevant third country's banking regulatory framework and confidentiality requirements and to issue a report on that framework's compliance with the conditions laid down in paragraph 1, points (a) and (b), of this Article. EBA shall publish the outcome of its assessment on its website.	3. Before adopting the decision referred to in paragraph 2, the Commission may request the EBA's assistance in accordance with Article 33 of Regulation (EU) No 1093/2010 to conduct an assessment of the relevant third country's banking regulatory framework and confidentiality requirements and to issue a report on that framework's compliance with the conditions laid down in paragraph 1, points (a) and (b), of this Article. EBA shall publish the outcome of its assessment on its website.	3. Before adopting the decision referred to in paragraph 2, the Commission may request the EBA's assistance in accordance with Article 33 of Regulation (EU) No 1093/2010 to conduct an assessment of the relevant third country's banking regulatory framework and confidentiality requirements and to issue a report on that framework's compliance with the conditions laid down in paragraph 1, points (a) and (b), of this Article. EBA shall publish the outcome of its assessment on its website.
319	4. EBA shall keep a public register of the third countries and third country authorities that meet the conditions laid down in paragraph 1.	4. EBA shall keep a public register of the third countries and third country authorities that meet the conditions laid down in paragraph 1.	4. EBA shall keep a public register of the third countries and third country authorities that meet the conditions laid down in paragraph 1.
320	5. Upon receiving an application for authorisation in accordance with Article 48c, competent authorities shall assess the conditions laid down in paragraph 1 of this Article and in Article 48a to classify the third country branch as class 1 or class 2. Where the relevant third country is not recorded on the	5. Upon receiving an application for authorisation in accordance with Article 48c, competent authorities shall assess the conditions laid down in paragraph 1 of this Article and in Article 48a to classify the third country branch as class 1 or class 2. Where the relevant third country is not recorded on the	5. Upon receiving an application for authorisation in accordance with Article 48c, competent authorities shall assess the conditions laid down in paragraph 1 of this Article and in Article 48a to classify the third country branch as class 1 or class 2. Where the relevant third country is not recorded on the

	Commission Proposal	EP Mandate	Council Mandate
	register referred to in paragraph 4 of this Article, the competent authority shall request the Commission to assess the third country's banking regulatory framework and confidentiality requirements for the purposes of paragraph 2 of this Article, provided that the condition referred to paragraph 1, point (c), of this Article is met. The competent authority shall classify the third country branch as class 1 pending the Commission's adoption of a decision in accordance with paragraph 2 of this Article.	register referred to in paragraph 4 of this Article, the competent authority shall request the Commission to assess the third country's banking regulatory framework and confidentiality requirements for the purposes of paragraph 2 of this Article, provided that the condition referred to paragraph 1, point (c), of this Article is met. The competent authority shall classify the third country branch as class 1 pending the Commission's adoption of a decision in accordance with paragraph 2 of this Article.	register referred to in paragraph 4 of this Article, the competent authority shall request the Commission to assess the third country's banking regulatory framework and confidentiality requirements for the purposes of paragraph 2 of this Article, provided that the condition referred to paragraph 1, point (c), of this Article is met. The competent authority shall classify the third country branch as class 1 pending the Commission's adoption of a decision in accordance with paragraph 2 of this Article.
321	Section II	Section II	Section II
322	Authorisation and regulatory requirements	Authorisation and regulatory requirements	Authorisation and regulatory requirements
323	Sub-section 1 Authorisation requirements	Sub-section 1 Authorisation requirements	Sub-section 1 Authorisation requirements
324	Article 48c Conditions for the authorisation of third country branches	Article 48c Conditions for the authorisation of third country branches	Article 48c <b>Minimum</b> conditions for the authorisation of third country branches
325	1. Member States shall require that third	1. Member States shall require that third	1. <del>Member States shall require that third</del>

	Commission Proposal	EP Mandate	Council Mandate
	country undertakings establish a branch in their territory before commencing the activities referred to in Article 47(1). The establishment of a third country branch shall be subject to prior authorisation in accordance with this Chapter.	country undertakings establish a branch in their territory before commencing <i>or continuing</i> the activities referred to in Article 47(1). The establishment of a third country branch shall be subject to prior authorisation in accordance with this Chapter.	<del>country undertakings establish a branch in their territory before commencing the activities referred to in Article 47(1).</del> The establishment of a third country branch shall be subject to prior authorisation in accordance with this Chapter.
325a		<i><u>1a. The first sentence of the first subparagraph of this paragraph shall not apply to the provision of any service or activity referred to in Article 47(1) at the exclusive initiative of a client or counterparty in the Union in accordance with Article 21c(1) and (2).</u></i>	
325b		<i><u>1a. New third country branches shall not commence their activities in a Member State until the EBA and the third country competent authority have concluded a Memorandum of Understanding ('MoU'). The MoU shall provide a clear cooperation framework between the competent authorities, including exchange of information in on-going supervision, crisis management and resolution.</u></i>	
326	2. Member States shall require that the applications for authorisation of third country	2. Member States shall require that the applications for authorisation of third country	2. Member States shall require that the applications for authorisation of third country

	Commission Proposal	EP Mandate	Council Mandate
	branches be accompanied by a programme of operations setting out the envisaged business, the activities to be carried out among those referred to in Article 47(1) and the structural organisation and risk controls of the branch in the relevant Member State in accordance with Article 48h.	branches be accompanied by a programme of operations setting out the envisaged business, the activities to be carried out among those referred to in Article 47(1) and the structural organisation and risk controls of the branch in the relevant Member State in accordance with Article 48h.	branches be accompanied by a programme of operations setting out the envisaged business, the activities to be carried out among those referred to in Article <del>47(1)</del> <b>47(3)</b> and the structural organisation and risk controls of the branch in the relevant Member State in accordance with Article 48h.
327	3. Third country branches shall only be authorised where all of the following conditions are fulfilled:	3. Third country branches shall only be authorised where all of the following conditions are fulfilled:	3. Third country branches shall only be authorised where, <b>at a minimum</b> , all of the following conditions are fulfilled:
328	(a) the third country branch meets the minimum regulatory requirements laid down in Sub-section 2;	(a) the third country branch meets the minimum regulatory requirements laid down in Sub-section 2;	(a) the third country branch meets the minimum regulatory requirements laid down in Sub-section 2 ;
329	(b) the activities that the head undertaking seeks authorisation for in the Member State are covered by the authorisation that such head undertaking holds in the third country where it is established and subject to supervision therein;	(b) the activities that the head undertaking seeks authorisation for in the Member State are covered by the authorisation that such head undertaking holds in the third country where it is established and subject to supervision therein;	(b) the activities that the head undertaking seeks authorisation for in the Member State are covered by the authorisation that such head undertaking holds in the third country where it is established and subject to supervision therein;
330	(c) the supervisory authority of the head undertaking in the third country has been notified of the application to establish a branch	(c) the supervisory authority of the head undertaking in the third country has been notified of the application to establish a branch	(c) the supervisory authority of the head undertaking in the third country has been notified of the application to establish a branch

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	in the Member State and the accompanying documents referred to in paragraph 2;	in the Member State and the accompanying documents referred to in paragraph 2;	in the Member State and the accompanying documents referred to in paragraph 2;
331	(d) the authorisation provides that the third country branch may only conduct the authorised activities within the Member State where it is established and expressly prohibits the third country branch from offering or conducting those same activities in other Member States on a cross-border basis;	(d) the authorisation provides that the third country branch may only conduct the authorised activities within the Member State where it is established and expressly prohibits the third country branch from offering or conducting those same activities in other Member States on a cross-border basis, <u>except for intragroup funding transactions concluded with other third country branches of the same head undertaking and for transactions entered into on a reverse solicitation basis</u> ;	(d) the authorisation provides that the third country branch may only conduct the authorised activities within the Member State where it is established and expressly prohibits the third country branch from offering or conducting those same activities in other Member States on a cross-border basis, <b>except where those services are provided on the basis of reverse solicitation or for intragroup liquidity purposes between third country branches of the same head undertaking or between third country branches and subsidiary institutions of the relevant third country branch's head undertaking</b> ;
331a			<b>(dd) the EBA and ESMA shall monitor operations between the third country branches of the same head undertaking, and between the third country branches and subsidiaries of the same third country group authorised in Union with the same head undertaking and shall submit a report to the Commission setting out its findings on those by [OP please insert the date = 24 months from the date of entry into force of this amending Directive] .</b>

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332	(e) for the purpose of performing its supervisory functions, the competent authority is able to access all the necessary information on the third country branch's head undertaking from its supervisory authorities and to effectively coordinate its supervisory activities with those of the third country supervisory authorities, in particular in periods of crisis or financial distress affecting the head undertaking, its group or the third country's financial system;	(e) for the purpose of performing its supervisory functions, the competent authority is able to access all the necessary information on the third country branch's head undertaking from its supervisory authorities and to effectively coordinate its supervisory activities with those of the third country supervisory authorities, in particular in periods of crisis or financial distress affecting the head undertaking, its group or the third country's financial system;	(e) for the purpose of performing its supervisory functions, the competent authority is able to access all the necessary information on the third country branch's head undertaking from its supervisory authorities and to effectively coordinate its supervisory activities with those of the third country supervisory authorities, in particular in periods of crisis or financial distress affecting the head undertaking, its group or the third country's financial system;
333	(f) there are no reasonable grounds to suspect that the third country branch would be used to commit or facilitate the commission of money laundering within the meaning of Article 1, point 3 of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing or terrorist financing as defined in Article 1, point 5 of that Directive.	(f) there are no reasonable grounds to suspect that the third country branch would be used to commit or facilitate the commission of money laundering within the meaning of Article 1, point 3 of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing or terrorist financing as defined in Article 1, point 5 of that Directive.	(f) there are no reasonable grounds to suspect that the third country branch would be used to commit or facilitate the commission of money laundering <b>or terrorist financing</b> within the meaning of Article 1, point 3 <b>and 5</b> of Directive (EU) 2015/849 <del>of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing or terrorist financing as defined in Article 1, point 5 of that Directive.</del>
334	For the purposes of point (e) of this paragraph, the competent authorities shall endeavor to use the model administrative agreements developed by EBA in accordance with Article 33(5) of Regulation (EU) No 1093/2010.	For the purposes of point (e) of this paragraph, the competent authorities shall endeavor to use the model administrative agreements developed by EBA in accordance with Article 33(5) of Regulation (EU) No 1093/2010.	For the purposes of point (e) of this paragraph, the competent authorities shall endeavor to use the model administrative agreements developed by EBA in accordance with Article 33(5) of Regulation (EU) No 1093/2010.

	Commission Proposal	EP Mandate	Council Mandate
335	4. For the purposes of assessing whether the condition laid down in paragraph 3, point (f), is met, competent authorities shall consult the authority responsible for supervision of anti-money laundering in the Member State in accordance with Directive (EU) 2015/849 and obtain written confirmation that the condition is fulfilled before proceeding to authorising the third country branch.	4. For the purposes of assessing whether the condition laid down in paragraph 3, point (f), is met, competent authorities shall consult the authority responsible for supervision of anti-money laundering in the Member State in accordance with Directive (EU) 2015/849 and obtain written confirmation that the condition is fulfilled before proceeding to authorising the third country branch.	4. . For the purposes of assessing whether the condition laid down in paragraph 3, point (f), is met, competent authorities shall consult the authority <b>or authorities</b> responsible for supervision of anti-money laundering in the Member State in accordance with Directive (EU) 2015/849 -and obtain written confirmation that the condition is fulfilled before proceeding to authorising the third country branch.
336	5. EBA shall develop draft regulatory technical standards to further specify:	5. EBA shall develop draft regulatory technical standards to further specify:	5. <del>EBA</del> <b>Competent authorities may decide that the authorisations of third country branches granted before [OP please insert the date = 24 months from date of application of this amending Directive] shall develop draft regulatory technical standards to further specify: remain valid, provided that the third country branches that were granted those authorisations comply with the minimum requirements laid down in this Title as amended by [this Directive].</b>
337	(a) the information to be provided to the competent authorities upon application for authorisation of a third country branch, including the programme of operations and the	(a) the information to be provided to the competent authorities upon application for authorisation of a third country branch, including the programme of operations and the	<i>deleted</i>



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	structural organisation and governance arrangements referred to in paragraph 2;	structural organisation and governance arrangements referred to in paragraph 2;	
338	(b) the procedure for authorisation of the third country branch, as well as the standard forms and templates for the provision of the information referred to in point (a) of this paragraph;	(b) the procedure for authorisation of the third country branch, as well as the standard forms and templates for the provision of the information referred to in point (a) of this paragraph;	<i>deleted</i>
339	(c) the conditions for authorisation referred to in paragraph 3.	(c) the conditions for authorisation referred to in paragraph 3.	<i>deleted</i>
339a		<u><i>(ca) the conditions under which competent authorities may rely on information that has already been provided in the process of any prior branch authorisation.</i></u>	
340	EBA shall submit these draft regulatory technical standards to the Commission by [OP please insert the date = 6 months from the date of entry into force of this amending Directive].	EBA shall submit these draft regulatory technical standards to the Commission by [OP please insert the date = 6 months from the date of entry into force of this amending Directive].	<i>deleted</i>
341	Power is delegated to the Commission to adopt the regulatory technical standards referred to in this paragraph in accordance with Articles 10	Power is delegated to the Commission to adopt the regulatory technical standards referred to in this paragraph in accordance with Articles 10	<i>deleted</i>

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	to 14 of Regulation (EU) No 1093/2010.	to 14 of Regulation (EU) No 1093/2010.	
342	Article 48d Conditions for the refusal or withdrawal of a third country branch's authorisation	Article 48d Conditions for the refusal or withdrawal of a third country branch's authorisation	Article 48d Conditions for the refusal or withdrawal of a third country branch's authorisation
343	1. Member States shall, at a minimum, provide for the following conditions for refusing or withdrawing the authorisation of a third country branch:	1. Member States shall, at a minimum, provide for the following conditions for refusing or withdrawing the authorisation of a third country branch:	1. Member States shall, at a minimum, provide for the following conditions for refusing or withdrawing the authorisation of a third country branch:
344	(a) the third country branch does not meet the requirements for authorisation laid down in Article 48c or in national law;	(a) the third country branch does not meet the requirements for authorisation laid down in Article 48c or in national law;	(a) the third country branch does not meet the requirements for authorisation laid down in Article 48c or in national law;
345	(b) the third country branch's head undertaking or its group do not meet the prudential requirements that apply to them under the third country law or there are reasonable grounds to suspect that they do not meet or that they will breach those requirements within the following 12 months.	(b) the third country branch's head undertaking or its group do not meet the prudential requirements that apply to them under the third country law or there are reasonable grounds to suspect that they do not meet or that they will breach those requirements within the following 12 months.	(b) the third country branch's head undertaking or its group do not meet the prudential requirements that apply to them under the third country law or there are reasonable grounds to suspect that they do not meet or that they will breach those requirements within the following 12 months.
346	For the purposes of point (b) of this paragraph, third country branches shall promptly notify	For the purposes of point (b) of this paragraph, third country branches shall promptly notify	For the purposes of point (b) of this paragraph, third country branches shall promptly notify

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	their competent authorities where the circumstances referred to in that point have taken place.	their competent authorities where the circumstances referred to in that point have taken place.	their competent authorities where the circumstances referred to in that point have taken place.
347	2. Without prejudice to paragraph 1, competent authorities may withdraw the authorisation granted to a third country branch where any of the following conditions is met:	2. Without prejudice to paragraph 1, competent authorities may withdraw the authorisation granted to a third country branch where any of the following conditions is met:	2. Without prejudice to paragraph 1, competent authorities may withdraw the authorisation granted to a third country branch where any of the following conditions is met:
348	(a) the third country branch does not make use of the authorisation within 12 months, expressly renounces the authorisation or has ceased to engage in business for more than six months, unless the Member State concerned has made provision for the authorisation to lapse in such cases;	(a) the third country branch does not make use of the authorisation within 12 months, expressly renounces the authorisation or has ceased to engage in business for more than six months, unless the Member State concerned has made provision for the authorisation to lapse in such cases;	(a) the third country branch does not make use of the authorisation within 12 months, expressly renounces the authorisation or has ceased to engage in business for more than six months, unless the Member State concerned has made provision for the authorisation to lapse in such cases;
349	(b) the third country branch has obtained the authorisation through false statements or any other irregular means;	(b) the third country branch has obtained the authorisation through false statements or any other irregular means;	(b) the third country branch has obtained the authorisation through false statements or any other irregular means;
350	(c) the third country branch no longer fulfils any additional conditions or requirements under which the authorisation was granted;	(c) the third country branch no longer fulfils any additional conditions or requirements under which the authorisation was granted;	(c) the third country branch no longer fulfils any additional conditions or requirements under which the authorisation was granted;
351			

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	(d) the third country branch can no longer be relied on to fulfil its obligations towards its creditors, and, in particular, no longer provides security for the assets entrusted to it by its depositors;	(d) the third country branch can no longer be relied on to fulfil its obligations towards its creditors, and, in particular, no longer provides security for the assets entrusted to it by its depositors;	(d) the third country branch can no longer be relied on to fulfil its obligations towards its creditors, and, in particular, no longer provides security for the assets entrusted to it by its depositors;
352	(e) the third country branch falls within one of the other cases where national law provides for withdrawal of authorisation;	(e) the third country branch falls within one of the other cases where national law provides for withdrawal of authorisation;	(e) the third country branch falls within one of the other cases where national law provides for withdrawal of authorisation;
353	(f) the third country branch commits one of the breaches referred to in Article 67(1);	(f) the third country branch commits one of the breaches referred to in Article 67(1);	(f) the third country branch commits one of the breaches referred to in Article 67(1), <b>where applicable</b> ;
354	(g) there are reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted in connection with the third country branch, its head undertaking or its group, or there is a heightened risk of money laundering or terrorist financing being committed or attempted in relation to the third country branch, its head undertaking or its group.	(g) there are reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted in connection with the third country branch, its head undertaking or its group, or there is a heightened risk of money laundering or terrorist financing being committed or attempted in relation to the third country branch, its head undertaking or its group.	(g) there are reasonable grounds to suspect that money laundering or terrorist financing is being or has been committed or attempted in connection with the third country branch, its head undertaking or its group, or there is <del>a heightened</del> <b>an increased</b> risk of money laundering or terrorist financing being committed or attempted in relation to the third country branch, its head undertaking or its group.
355	3. For the purposes of assessing whether the	3. For the purposes of assessing whether the	3. For the purposes of assessing whether the

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	condition laid down in paragraph 2(g) is met, the competent authorities shall consult the authority responsible for supervision of anti-money laundering in the Member State in accordance with Directive (EU) 2015/849.	condition laid down in paragraph 2(g) is met, the competent authorities shall consult the authority responsible for supervision of anti-money laundering in the Member State in accordance with Directive (EU) 2015/849.	condition laid down in paragraph 2(g) is met, the competent authorities shall consult the authority <b>or authorities</b> responsible for supervision of anti-money laundering in the Member State in accordance with Directive (EU) 2015/849.
356	4. The EBA shall develop draft regulatory technical standards to specify:	4. The EBA shall develop draft regulatory technical standards to specify:	<i>deleted</i>
357	(a) the conditions laid down in paragraphs 1 and 2 for refusing or withdrawing a third country branch's authorisation;	(a) the conditions laid down in paragraphs 1 and 2 for refusing or withdrawing a third country branch's authorisation;	<i>deleted</i>
358	(b) the procedure to withdraw the third country branch's authorisation;	(b) the procedure to withdraw the third country branch's authorisation;	<i>deleted</i>
359	(c) the content and process of the notification to the competent authorities referred to in the last subparagraph of paragraph 1 of this Article.	(c) the content and process of the notification to the competent authorities referred to in the last subparagraph of paragraph 1 of this Article.	<i>deleted</i>
360	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending	<i>deleted</i>

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	Directive].	Directive].	
361	Power is delegated to the Commission to adopt the regulatory technical standards referred to in this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	<i>deleted</i>
362	Sub-section 2 Minimum regulatory requirements	Sub-section 2 Minimum regulatory requirements	Sub-section 2 Minimum regulatory requirements
363	Article 48e Capital endowment requirement	Article 48e Capital endowment requirement	Article 48e Capital endowment requirement
364	1. Without prejudice to other applicable capital requirements in accordance with national law, Member States shall require that third country branches maintain at all times a minimum capital endowment that is at least equal to:	1. Without prejudice to other applicable capital requirements in accordance with national law, Member States shall require that third country branches maintain at all times a minimum capital endowment that is at least equal to:	1. Without prejudice to other applicable capital requirements in accordance with national law, Member States shall require that third country branches maintain at all times a minimum capital endowment that is at least equal to:
365	(a) for class 1 third country branches, 1% of the branch's average liabilities as reported for the three immediately preceding annual reporting periods in accordance with Sub-section 4, subject to a minimum of EUR 10 million;	(a) for class 1 third country branches, <del>1%</del> <sup>3%</sup> of the branch's average liabilities as reported for the three immediately preceding annual reporting periods in accordance with Sub-section 4, subject to a minimum of EUR 10 million;	(a) for class 1 third country branches, <del>1%</del> <sup>2%</sup> of the branch's average liabilities as reported for the three immediately preceding annual reporting periods <b>or, for newly authorised third country branches, of the branch's liabilities at the time of authorisation in</b>

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			accordance with Sub-section 4, subject to a minimum of EUR 10 million;
366	(b) for class 2 third country branches, EUR 5 million.	(b) for class 2 third country branches, <u>0,5% of the branch's average liabilities as reported for the three immediately preceding annual reporting periods in accordance with Sub-section 4, subject to a minimum of</u> EUR 5 million.	(b) for class 2 third country branches, EUR 5 million.
367	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:	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:	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:
368	(a) cash or cash assimilated instruments;	(a) cash or cash assimilated instruments;	(a) cash or cash assimilated instruments <b>as defined in Article 4(1), point 60, of Regulation (EU) No 575/2013;</b>
369	(b) debt securities issued by central governments or central banks of Union Member States; or	(b) debt securities issued by central governments or central banks of Union Member States; or	(b) debt securities issued by central governments or central banks of Union Member States; or
370	(c) any other instrument that is available to the third country branch for unrestricted and	(c) any other instrument that is available to the third country branch for unrestricted and	(c) any other instrument that is available to the third country branch for unrestricted and

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	immediate use to cover risks or losses as soon as those occur.	immediate use to cover risks or losses as soon as those occur.	immediate use to cover risks or losses as soon as those occur.
371	3. Member States shall require third country branches to deposit the capital endowment instruments referred to in paragraph 2 in an escrow account with a credit institution in the Member State where the branch is authorised or, where permitted under national law, with the central bank of the Member State. The capital endowment instruments deposited in the escrow account shall be pledged or assigned by way of security in favour of the resolution authority to secure the claims of the third country branch's creditors. Member States shall lay down rules to grant the resolution authority the power to act in a fiduciary capacity for the benefit of those creditors for the purposes of this Article and Article 48g.	3. Member States shall require third country branches to deposit the capital endowment instruments referred to in paragraph 2 in an escrow account with a credit institution in the Member State where the branch is authorised or, where permitted under national law, with the central bank of the Member State. The capital endowment instruments deposited in the escrow account shall be pledged or assigned by way of security in favour of the resolution authority to secure the claims of the third country branch's creditors. Member States shall lay down rules to grant the resolution authority the power to act in a fiduciary capacity for the benefit of those creditors for the purposes of this Article and Article 48g.	3. Member States shall require third country branches to deposit the capital endowment instruments referred to in paragraph 2 in an escrow account <del>with a credit institution</del> held in the Member State where the branch is authorised <b>with a credit institution that is not part of its head undertaking's group</b> or, where permitted under national law, with the central bank of the Member State. The capital endowment instruments deposited in the escrow account shall be <b>available for use for the purposes of Article 96 of Directive 2014/59/EU in the case of resolution</b> <del>pledged or assigned by way of security in favour of the resolution authority to secure the claims of the third country branch's creditors. Member States shall lay down rules to grant the resolution authority the power to act in a fiduciary capacity for the benefit of those creditors for the purposes of this Article and Article 48g</del> <b>and for the purposes of the winding-up of the third country branch in accordance with the national law of the Member State.</b>
372	4. The EBA shall issue guidelines in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify the requirement laid	4. The EBA shall issue guidelines in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify the requirement laid	<i>deleted</i>



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	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 occur. The EBA shall issue those guidelines by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	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 occur. The EBA shall issue those guidelines by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	
373	Article 48f Liquidity requirements	Article 48f Liquidity requirements	Article 48f Liquidity requirements
374	1. Without prejudice to other applicable liquidity requirements in accordance with national law, Member States shall at a minimum require third country branches to maintain at all times a volume of unencumbered and liquid assets sufficient to cover liquidity outflows over a minimum period of 30 days.	1. Without prejudice to other applicable liquidity requirements in accordance with national law, Member States shall at a minimum require third country branches to maintain at all times a volume of unencumbered and liquid assets sufficient to cover liquidity outflows over a minimum period of 30 days.	1. Without prejudice to other applicable liquidity requirements in accordance with national law, Member States shall at a minimum require third country branches to maintain at all times a volume of unencumbered and liquid assets sufficient to cover liquidity outflows over a minimum period of 30 days.
375	2. For the purposes of paragraph 1, Member States shall require class 1 third country branches to comply with the liquidity coverage requirement laid down in Part Six, Title I of Regulation (EU) No 575/2013 and Commission Delegated Regulation (EU) 2015/61 <sup>*9</sup> .	2. For the purposes of paragraph 1, Member States shall require class 1 third country branches to comply with the liquidity coverage requirement laid down in Part Six, Title I of Regulation (EU) No 575/2013 and Commission Delegated Regulation (EU) 2015/61 <sup>*9</sup> .	2. For the purposes of paragraph 1, Member States shall require class 1 third country branches to comply with the liquidity coverage requirement laid down in Part Six, Title I of Regulation (EU) No 575/2013 and Commission Delegated Regulation (EU) 2015/61 <sup>*9*9</sup> .  <b>*9. Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No</b>

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			575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (OJ L 11, 17.1.2015, p. 1).
376	<p>3. Member States shall require third country branches to deposit the liquid assets held to comply with this Article in an escrow account with a credit institution in the Member State where the branch is authorised or, where permitted under national law, with the central bank of the Member State. The liquid assets deposited in the escrow account shall be pledged or assigned by way of security in favor of the resolution authority to secure the claims of the third country branch's creditors. Member States shall lay down rules to grant the resolution authority the power to act in a fiduciary capacity for the benefit of those creditors for the purposes of this Article and Article 48g.</p>	<p>3. Member States shall require third country branches to deposit the liquid assets held to comply with this Article in an escrow account with a credit institution in the Member State where the branch is authorised or, where permitted under national law, with the central bank of the Member State. The liquid assets deposited in the escrow account shall be pledged or assigned by way of security in favor of the resolution authority to secure the claims of the third country branch's creditors. Member States shall lay down rules to grant the resolution authority the power to act in a fiduciary capacity for the benefit of those creditors for the purposes of this Article and Article 48g.</p>	<p>3. Member States shall require third country branches to deposit the liquid assets held to comply with this Article in an <del>escrow</del> account <del>with a credit institution in</del> <b>held in the</b> the Member State where the branch is authorised <b>with a credit institution that is not part of its head undertaking's group</b> or, where permitted under national law, with the central bank of the Member State. <del>The. Where there are liquid assets deposited</del> <b>remaining</b> in the <del>escrow account shall be pledged or assigned by way of security in favor of the resolution authority to secure the claims of the third country branch's creditors. Member States shall lay down rules to grant the</del> <b>after they have been applied to cover liquidity outflows in accordance with paragraph 1, those remaining liquid assets shall be available for use for the purposes of Article 96 of Directive 2014/59/EU in the case of</b> resolution authority the power to act in a fiduciary capacity for the benefit of those creditors for the purposes of this Article and Article 48g <b>of the third country branch and for the purposes of the winding-up of the third country branch in accordance with the national law of the Member State.</b></p>

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377	4. Competent authorities may waive the liquidity requirement laid down in this Article for qualifying third country branches.	4. Competent authorities may waive the liquidity requirement laid down in this Article for qualifying third country branches.	4. Competent authorities may waive the liquidity requirement laid down in this Article for qualifying third country branches.
378	_____	_____	<i>deleted</i>
379	*9 Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (OJ L 11, 17.1.2015, p. 1).	*9 Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions (OJ L 11, 17.1.2015, p. 1).	<i>deleted</i>
380	Article 48g Insolvency and resolution of third country branches	Article 48g Insolvency and resolution of third country branches	<i>deleted</i>
381	1. Member States shall ensure that, in the event of insolvency or resolution of a third country branch pursuant to Article 96 of Directive 2014/59/EU, resolution authorities are vested with legal power and authority to enforce the security created over the liquid assets and capital endowment instruments held	1. Member States shall ensure that, in the event of insolvency or resolution of a third country branch pursuant to Article 96 of Directive 2014/59/EU, resolution authorities are vested with legal power and authority to enforce the security created over the liquid assets and capital endowment instruments held	<i>deleted</i>

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	in the escrow account pursuant to Articles 48e(3) and 48f(3) of this Directive. When dealing with those liquid assets and capital endowment instruments following the enforcement of security, resolution authorities shall take into account the existing national rules, as well as supervisory and judicial powers, and ensure adequate coordination with the national administrative or judicial authorities, in accordance with national insolvency law and the principles set out in Article 96 of Directive 2014/59/EU, as appropriate.	in the escrow account pursuant to Articles 48e(3) and 48f(3) of this Directive. When dealing with those liquid assets and capital endowment instruments following the enforcement of security, resolution authorities shall take into account the existing national rules, as well as supervisory and judicial powers, and ensure adequate coordination with the national administrative or judicial authorities, in accordance with national insolvency law and the principles set out in Article 96 of Directive 2014/59/EU, as appropriate.	
382	2. Any surplus of liquid assets or capital endowment instruments held in the escrow account and not used in accordance with paragraph 1 shall be dealt with in accordance with the applicable national law.	2. Any surplus of liquid assets or capital endowment instruments held in the escrow account and not used in accordance with paragraph 1 shall be dealt with in accordance with the applicable national law.	<i>deleted</i>
383	Article 48h Internal governance and risk controls	Article 48h Internal governance and risk controls	Article 48h Internal governance and risk controls
384	1. Member States shall require third country branches to have at least two persons effectively directing their business in the Member State subject to prior approval by the competent authorities. Those persons shall be	1. Member States shall require third country branches to have at least two persons effectively directing their business in the Member State subject to prior approval by the competent authorities. Those persons shall be	1. Member States shall require third country branches to have at least two persons <del>effectively directing their business in the</del> <b>relevant</b> Member State <b>effectively directing their business</b> subject to prior approval by the

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	of good repute and possess sufficient knowledge, skills and experience and commit sufficient time to the performance of their duties.	of good repute and possess sufficient knowledge, skills and experience and commit sufficient time to the performance of their duties.	competent authorities. Those persons shall be of good repute and possess sufficient knowledge, skills and experience and commit sufficient time to the performance of their duties.
385	2. Member States shall require class 1 third country branches to comply with Articles 74 and 75 and Article 76(5). Competent authorities may require third country branches to establish a local management committee to ensure an adequate governance of the branch.	2. Member States shall require class 1 third country branches to comply with Articles 74 and 75 and Article 76(5). Competent authorities may require third country branches to establish a local management committee to ensure an adequate governance of the branch.	2. Member States shall require class 1 third country branches to comply with Articles 74 <del>and 75 and</del> , 75, Article 76(5) <b>and Articles 92, 94 and 95</b> . Competent authorities may require third country branches to establish a local management committee to ensure an adequate governance of the branch.
386	3. Member States shall require class 2 third country branches to comply with Articles 74, and 75 and to have internal control functions as provided for under Article 76(5), first, second and third subparagraphs.	3. Member States shall require class 2 third country branches to comply with Articles 74, and 75 and to have internal control functions as provided for under Article 76(5), first, second and third subparagraphs.	3. Member States shall require class 2 third country branches to comply with Articles 74, and 75 and to have internal control functions as provided for under Article 76(5), first, second and third subparagraphs. <b>Class 2 third country branches shall also comply with articles 92, 94 and 95.</b>
387	Depending of their size, internal organisation and the nature, scope and complexity of their activities, competent authorities may require class 2 third country branches to appoint heads of internal control functions as provided under Article 76(5), fourth and fifth subparagraphs.	Depending of their size, internal organisation and the nature, scope and complexity of their activities, competent authorities may require class 2 third country branches to appoint heads of internal control functions as provided under Article 76(5), fourth and fifth subparagraphs.	Depending of their size, internal organisation and the nature, scope and complexity of their activities, competent authorities may require class 2 third country branches to appoint heads of internal control functions as provided under Article 76(5), fourth and fifth subparagraphs.

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388	4. Member States shall require third country branches to establish reporting lines to the management body of the head undertaking that cover all material risks and risk management policies and changes thereof and have in place adequate ICT systems and controls to ensure that policies are duly complied with.	4. Member States shall require third country branches to establish reporting lines to the management body of the head undertaking that cover all material risks and risk management policies and changes thereof and have in place adequate ICT systems and controls to ensure that policies are duly complied with.	4. Member States shall require third country branches to establish reporting lines to the management body of the head undertaking that cover all material risks and risk management policies and changes thereof and have in place adequate ICT systems and controls to ensure that policies are duly complied with.
389	5. Member States shall require third country branches to monitor and manage their outsourcing arrangements, and to ensure that their competent authorities have full access to all information they need to fulfil their supervisory function.	5. Member States shall require third country branches to monitor and manage their outsourcing arrangements, and to ensure that their competent authorities have full access to all information they need to fulfil their supervisory function.	5. Member States shall require third country branches to monitor and manage their outsourcing arrangements, and to ensure that their competent authorities have full access to all information they need to fulfil their supervisory function.
390	6. Member States shall require third country branches that engage in back-to-back or intragroup operations to have adequate resources to identify and properly manage their counterparty credit risk where material risks associated with assets booked by the third country branch are transferred to the counterparty.	6. Member States shall require third country branches that engage in back-to-back or intragroup operations to have adequate resources to identify and properly manage their counterparty credit risk where material risks associated with assets booked by the third country branch are transferred to the counterparty.	6. Member States shall require third country branches that engage in back-to-back or intragroup operations to have adequate resources to identify and properly manage their counterparty credit risk where material risks associated with assets booked by the third country branch are transferred to the counterparty.
391	7. Where critical or important functions are	7. Where critical or important functions are	7. Where critical or important functions <b>of the</b>

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	delegated to the head undertaking, competent authorities in charge of the supervision of third country branches shall have access to all information they need to fulfil their supervisory function.	delegated to the head undertaking, competent authorities in charge of the supervision of third country branches shall have access to all information they need to fulfil their supervisory function.	<b>third country branch are carried out by</b> <del>its</del> <del>are delegated to the head undertaking</del> <b>according to internal arrangements or intragroup agreements of any type</b> , competent authorities in charge of the supervision of third country branches shall have access to all information they need to fulfil their supervisory function.
392	8. Competent authorities shall periodically require that an independent third party assesses the implementation of and on-going compliance with the requirements laid down in this Article and addresses a report to the competent authority with its findings and conclusions.	8. Competent authorities shall periodically require that an independent third party assesses the implementation of and on-going compliance with the requirements laid down in this Article and addresses a report to the competent authority with its findings and conclusions.	8. Competent authorities shall periodically require that an independent third party assesses the implementation of and on-going compliance with the requirements laid down in this Article and addresses a report to the competent authority with its findings and conclusions.
393	9. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, on the application to third country branches of the arrangements, processes and mechanisms referred to in Article 74(1), taking into account Article 74(2), and on the application to third country branches of Article 75 and Article 76(5), by [OP please insert the date = 6 months from date of entry into force of this amending Directive].	9. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, on the application to third country branches of the arrangements, processes and mechanisms referred to in Article 74(1), taking into account Article 74(2), and on the application to third country branches of Article 75 and Article 76(5), by [OP please insert the date = 6 months from date of entry into force of this amending Directive].	9. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, on the application to third country branches of the arrangements, processes and mechanisms referred to in Article 74(1), taking into account Article 74(2), and on the application to third country branches of Article 75 and Article 76(5), by [OP please insert the date = 6 months from date of entry into force of this amending Directive].
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	Commission Proposal	EP Mandate	Council Mandate
	Article 48i Booking requirements	Article 48i Booking requirements	Article 48i Booking requirements
395	1. Member States shall require third country branches to maintain a registry book enabling those branches to track and keep a comprehensive and precise record of all the assets and liabilities associated with the activities of the third country branch in the Member State and to manage those assets and liabilities autonomously within the branch. The registry book shall provide sufficient information on the risks generated by the third country branch and on how they are managed.	1. Member States shall require third country branches to maintain a registry book enabling those branches to track and keep a comprehensive and precise record of all the assets and liabilities <u>originated by and</u> associated with the activities of the third country branch in the Member State and to manage those assets and liabilities autonomously within the branch. The registry book shall provide <u>all necessary and</u> sufficient information on the risks generated by the third country branch and on how they are managed.	1. Member States shall require third country branches to maintain a registry book enabling those <b>third country</b> branches to track and keep a comprehensive and precise record of all the assets and liabilities <del>associated with the activities</del> of the third country branch in the Member State and to manage those assets and liabilities autonomously within the <b>third country</b> branch. The registry book shall provide sufficient information on the risks generated by the third country branch and on how they are managed.
396	2. Member States shall require third country branches to develop policies on booking arrangements for the management of the registry book referred to in paragraph 1 for the purposes laid down therein. Those policies shall be documented and validated by the relevant governing body of the third country branch's head undertaking. The policy document referred to in this paragraph shall provide a clear rationale for the booking arrangements and set out how those arrangements align with the third country branch's business strategy.	2. Member States shall require third country branches to develop policies on booking arrangements for the management of the registry book referred to in paragraph 1 for the purposes laid down therein. Those policies shall be documented and validated by the relevant governing body of the third country branch's head undertaking. The policy document referred to in this paragraph shall provide a clear rationale for the booking arrangements and set out how those arrangements align with the third country branch's business strategy.	2. Member States shall require third country branches to- develop <del>policies</del> <b>and regularly review and update a policy</b> on booking arrangements for the management of the registry book referred to in paragraph 1 for the purposes laid down therein. <del>Those policies</del> <b>Such policy</b> shall be documented and <del>validated</del> <b>approved</b> by the relevant governing body of the third country branch's head undertaking. The policy <del>document</del> referred to in this paragraph shall provide a clear rationale for the booking arrangements and set out how those arrangements align with the third country branch's business strategy.



	Commission Proposal	EP Mandate	Council Mandate
397	3. Competent authorities shall require that an independent written and reasoned opinion on the implementation of and on-going compliance with the requirements laid down in this Article be regularly prepared and addressed to the competent authority with its findings and conclusions.	3. Competent authorities shall require that an independent written and reasoned opinion on the implementation of and on-going compliance with the requirements laid down in this Article be regularly prepared and addressed to the competent authority with its findings and conclusions.	3. Competent authorities shall require that an independent written and reasoned opinion on the implementation of and on-going compliance with the requirements laid down in this Article be regularly prepared and addressed to the competent authority with its findings and conclusions.
398	4. EBA shall develop draft regulatory technical standards to specify the booking arrangements that third country branches shall apply for the purposes of this Article, in particular as regards:	4. EBA shall develop draft regulatory technical standards to specify the booking arrangements that third country branches shall apply for the purposes of this Article, in particular as regards:	4. EBA shall develop draft regulatory technical standards to specify the booking arrangements that third country branches shall apply for the purposes of this Article, in particular as regards:
399	(a) the methodology to be used by the third country branch to identify and keep a comprehensive and precise track record of the assets and liabilities associated with the third country branch's activities in the Member State; and	(a) the methodology to be used by the third country branch to identify and keep a comprehensive and precise track record of the assets and liabilities associated with the third country branch's activities in the Member State; and	(a) the methodology to be used by the third country branch to identify and keep a comprehensive and precise track record of the assets and liabilities <del>associated with</del> <b>of</b> the third country branch's activities in the Member State; and
400	(b) the specific treatment to identify and keep a record of the assets and liabilities originated by the third country branch and booked or held remotely in other branches or subsidiaries of	(b) the specific treatment to identify and keep a record of the assets and liabilities originated by the third country branch and booked or held remotely in other branches or subsidiaries of	(b) the specific treatment to identify and keep a record of <b>off-balance sheet items and of</b> the assets and liabilities originated by the third country branch and booked or held remotely in

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	the same group on behalf of or for the benefit of the originating third country branch.	the same group on behalf of or for the benefit of the originating third country branch.	other branches or subsidiaries of the same group on behalf of or for the benefit of the originating third country branch.
401	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 6 months from the date of entry into force of this amending Directive].	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 6 months from the date of entry into force of this amending Directive].	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 6 months from the date of entry into force of this amending Directive].
402	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.
403	Sub-section 3 Power to require authorisation under Title III and requirements on systemic branches	Sub-section 3 Power to require authorisation under Title III and requirements on systemic branches	Sub-section 3 Power to require authorisation under Title III and requirements on systemic branches
404	Article 48j Power to require establishing a subsidiary	Article 48j Power to require establishing a subsidiary	<i>deleted</i>
405	1. Member States shall ensure that competent authorities have the power to require third country branches to apply for authorisation	1. Member States shall ensure that competent authorities have the power to require third country branches to apply for authorisation	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	under Title III, Chapter 1, at least where:	under Title III, Chapter 1, at least where:	
406	(a) the third country branch has engaged in the past or currently engages in interconnected activities with other third country branches or subsidiary institutions of the same group or in one of the activities referred to in Article 47(1) with customers or counterparts in other Member States in contravention of the internal market rules; or	(a) the third country branch has engaged in the past or <u>is</u> currently <del>engages in interconnected activities with other third country branches or subsidiary institutions of the same group or in one of the</del> <u>engaged in the performance of</u> activities referred to in Article 47(1) with customers or <del>counterparts</del> <u>counterparties</u> in other Member States <del>in contravention or with other third country branches or subsidiary institutions</del> of the <del>internal market rules</del> <u>same group in contravention of Article 48c(2)(d)</u> ; or	<i>deleted</i>
407	(b) the third country branch meets the systemic importance indicators referred to in Article 131(3) and poses a significant risk to the financial stability of the Union or the Member State where it is established.	(b) the third country branch meets the systemic importance indicators referred to in Article 131(3) <del>and/or</del> poses <del>a</del> significant <del>risk to the financial stability of the Union or the Member State where it is established.</del> <u>risks ;, or</u>	<i>deleted</i>
407a		<u>(ba) the aggregate amount of assets that a third country branch or branches in the Union that belong to the same group hold on their books in the Union as reported in accordance with Sub-section 4 is equal or higher to EUR 40 billion.</u>	

	Commission Proposal	EP Mandate	Council Mandate
408	2. Before making the decision referred to in paragraph 1, competent authorities shall consult the competent authorities of the Member States where the relevant third country group has other third country branches and subsidiary institutions.	2. <u>2.</u> Before making the decision referred to in paragraph 1, competent authorities shall consult the competent authorities of the Member States where the relevant third country group has <u>established</u> other third country branches <del>and/or</del> subsidiary institutions.	<i>deleted</i>
409	Where they disagree, the competent authorities of the third country group in other Member States may refer the matter to the EBA for mediation in accordance with Article 19 of Regulation (EU) No 1093/2010. EBA shall take its decision within one month of matter being referred and the competent authority of the relevant third country branch shall refrain from taking its decision during that time.	<del>Where they disagree, the competent authorities of the third country group in other Member States may refer the matter to the EBA for mediation in accordance with Article 19 of Regulation (EU) No 1093/2010. EBA shall take its decision within one month of matter being referred and the competent authority of the relevant third country branch shall refrain from taking its decision during that time.</del>	<i>deleted</i>
410	The competent authority of the relevant third country branch shall adopt the decision referred to in paragraph 1 in conformity with the decision of EBA.	The competent authority of the relevant third country branch shall adopt the decision referred to in paragraph 1 in conformity with the decision of EBA.	<i>deleted</i>
411	3. Before imposing the requirement laid down in this Article on a third country branch in accordance with paragraph 1, point (a), the competent authority shall request EBA to issue a recommendation in accordance with Article	<i>deleted</i>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	16 of Regulation (EU) No 1093/2010 on the interpretation of that point in relation to that third country branch.		
412	4. EBA shall develop draft regulatory technical standards to specify the systemic importance indicators referred to in Article 131(3) as regards third country branches for the purposes of paragraph 1, point (b), of this Article and Article 48k. EBA shall have regard to the following items:	4. EBA shall develop draft regulatory technical standards to specify the systemic importance indicators referred to in Article 131(3) as regards third country branches for the purposes of paragraph 1, point (b), of this Article and Article 48k. EBA shall have regard to the following items:	<i>deleted</i>
412a		<u><i>(-a) the size of the third country branch;</i></u>	
413	(a) the types of activities and services provided and the operations being conducted by the third country branch and, in particular, whether the third country branch provides those activities and services and conducts those operations with a very narrow set of customers or counterparts;	(a) the types of activities and services provided and the operations being conducted by the third country branch and, in particular, whether the third country branch provides those activities and services and conducts those operations with a very narrow set of customers or counterparts;	<i>deleted</i>
414	(b) the complexity of the third country branch's structure, organisation and business model;	(b) the complexity of the third country branch's structure, organisation and business model;	<i>deleted</i>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
415	(c) the degree of interconnectedness of the third country branch with the financial system of the Union and of the Member State where it is established;	(c) the degree of interconnectedness of the third country branch with the financial system of the Union and of the Member State where it is established;	<i>deleted</i>
416	(d) the substitutability of the activities, services or operations conducted or of the financial infrastructure provided by the third country branch;	(d) the substitutability of the activities, services or operations conducted or of the financial infrastructure provided by the third country branch;	<i>deleted</i>
417	(e) the market share of the third country branch in the Union and in the Member States where it is established as regards total banking assets and in relation the activities and services it provides and the operations that it conducts;	(e) the market share of the third country branch in the Union and in the Member States where it is established as regards total banking assets and in relation the activities and services it provides and the operations that it conducts;	<i>deleted</i>
418	(f) the likely impact that a suspension or closure of the third country branch's operations or business could have on systemic liquidity or the payment, clearing and settlement systems in the Union and in the Member State where it is established;	(f) the likely impact that a suspension or closure of the third country branch's operations or business could have on systemic liquidity or the payment, clearing and settlement systems in the Union and in the Member State where it is established;	<i>deleted</i>
419	(g) the likely impact that a suspension or closure of the third country branch's operations	(g) the likely impact that a suspension or closure of the third country branch's operations	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	could have on intragroup financing agreements or intragroup services covering critical functions in the Union and in the Member States where it is established;	could have on intragroup financing agreements or intragroup services covering critical functions in the Union and in the Member States where it is established;	
420	(h) the cross-border activity of the third country branch with its head undertaking and with counterparts in other third countries;	(h) the cross-border activity of the third country branch with its head undertaking and with counterparts in other third countries;	<i>deleted</i>
421	(i) the role and importance of the third country branch for the activities, services and operations of the third country group in the Union and in the Member State where it is established;	(i) the role and importance of the third country branch for the activities, services and operations of the third country group in the Union and in the Member State where it is established;	<i>deleted</i>
422	(j) the volume of the third country group's business being conducted through third country branches, relative to the business of that same group conducted through subsidiary institutions authorised in the Union and in the Member State where the third country branches are established;	(j) the volume of the third country group's business being conducted through third country branches, relative to the business of that same group conducted through subsidiary institutions authorised in the Union and in the Member State where the third country branches are established;	<i>deleted</i>
423	(k) whether the third country branch is a qualifying third country branch in accordance with Article 48b.	(k) whether the third country branch is a qualifying third country branch in accordance with Article 48b.	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
424	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	<i>deleted</i>
425	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	<i>deleted</i>
426	Article 48k Assessment of systemic importance and requirements on systemic third country branches	Article 48k Assessment of systemic importance and requirements on systemic third country branches	<i>deleted</i>
427	1. The third country branch or branches in the Union that belong to the same third country group shall be subject to the assessment laid down in paragraph 2 of this Article where the aggregate amount of assets that they hold on their books in the Union as reported in accordance with Sub-section 4 is equal to or higher than EUR 30 billion, either:	1. The <del>third country branch or branches in the Union that belong to the same</del> <u>joint assessment laid down in this Article shall be performed on the</u> third country <del>group shall be subject to the assessment laid down in paragraph 2 of this Article where the aggregate amount of assets that they hold on their books in the</del> <u>Union branches of the same third country</u>	<i>deleted</i>



	Commission Proposal	EP Mandate	Council Mandate
		<u>group where they are established in two or more Member States and hold assets in an aggregate amount</u> as reported in accordance with Sub-section 4- <del>is</del> equal to or higher than EUR <del>30</del> <u>40</u> billion, either:	
428	(a) on average for the immediately preceding three annual reporting periods; or	(a) on average for the immediately preceding three annual reporting periods; or	<i>deleted</i>
429	(b) in absolute terms for at least three annual reporting periods during the immediately preceding five annual reporting periods.	(b) in absolute terms for at least three annual reporting periods during the immediately preceding five annual reporting periods.	<i>deleted</i>
429a		<u>1a. The asset threshold referred to in the first subparagraph shall not include the assets held by the third country branch in connection with central bank market operations entered into with ESCB central banks</u>	
430	2. Competent authorities shall assess whether the third country branches referred to in paragraph 1 have systemic importance for the Union and for the Member States where they are established. For those purposes, competent authorities shall assess whether those third country branches meet the indicators of	2. Competent authorities shall assess whether <del>the</del> third country branches <del>referred to in paragraph 1 have systemic importance</del> <u>have systemic importance and pose significant risks</u> for the <del>Union and for the Member States where they are established</del> <u>financial stability of the Union or for the Member States</u> . For those	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	systemic importance referred to in Article 48j(4) and Article 131(3).	purposes, competent authorities shall <del>assess whether those third country branches meet, in particular, have regard to</del> the indicators of systemic importance referred to in Article 48j(4) and Article 131(3).	
431	3. The assessment of systemic importance referred to in paragraph 2 of this Article shall be performed by one of the following:	3. The assessment <del>of systemic importance</del> referred to in paragraph 2 <u>shall be performed by the competent authorities of the Member States where the relevant third country group has established third country branches and subsidiary institutions (the "competent authorities concerned")</u> . <del>The assessment of this Article</del> shall be <del>performed by one</del> <u>led by the competent authority</u> of the <del>following</del> <u>Member State where the largest third country branch by asset size is established (the "lead competent authority")</u> .	<i>deleted</i>
432	(a) where Article 111 applies to the relevant third country group, the consolidated supervisor of that third country group in the Union in accordance with that Article;	<i>deleted</i>	<i>deleted</i>
433	(b) where Article 111 does not apply to the relevant third country group, the competent authority that would become the consolidated supervisor of that third country group in the	<i>deleted</i>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	Union in accordance with that Article, should the third country branches be treated as subsidiary institutions;		
434	(c) where the third country group has third country branches and subsidiary institutions in only one Member State, the competent authority of that Member State; or	<i>deleted</i>	<i>deleted</i>
435	(d) EBA where, after three months from the starting date of the annual reporting period immediately following the last annual reporting period that triggered the obligation to conduct the assessment in accordance with paragraph 1 of this Article:	<i>deleted</i>	<i>deleted</i>
436	(i) the assessment has not been commenced by either of the competent authorities referred to in points (a), (b) or (c); or	<i>deleted</i>	<i>deleted</i>
437	(ii) the competent authority that would be the consolidated supervisor in accordance with point (b) has not been determined.	<i>deleted</i>	<i>deleted</i>
438	The competent authorities referred to in points	The <i>competent authorities referred to in points</i>	

	Commission Proposal	EP Mandate	Council Mandate
	(a) and (b), acting as “lead competent authority”, or, where applicable, EBA shall conduct the assessment in full cooperation with all the competent authorities concerned. The competent authorities concerned shall assist and provide all the necessary documentation to the lead competent authority or, where applicable, EBA. For those purposes, ‘competent authorities concerned’ shall mean all the authorities responsible for the supervision of the third country branches and subsidiary institutions of the relevant third country group in the Union.	<del>(a) and (b), acting as</del> "lead competent authority", <del>or, where applicable, EBA</del> shall conduct the assessment in full cooperation with all the competent authorities concerned. The competent authorities concerned shall assist and provide all the necessary documentation to the lead competent authority. <u>The lead competent authority shall hear the third country group and</u> <del>or, where applicable, EBA.</del> <del>For those purposes, ‘competent authorities concerned’ shall mean all the authorities responsible</del> <u>set reasonable timeframes</u> for the <del>supervision of the</del> third country <del>branches and subsidiary institutions of the relevant third country group in the Union</del> <u>group to submit documentation and make its views known in writing.</u>	<i>deleted</i>
439	Before the assessment of systemic importance is concluded, the lead competent authority, the competent authority referred to in point (c) or, where applicable, EBA shall hear the third country group and shall set reasonable timeframes for the third country group to submit documentation and make its views known in writing.	<i>deleted</i>	<i>deleted</i>
440	4. The lead competent authority shall conclude the assessment referred to in paragraph 2 and issue a report by no later than six months from	4. The lead competent authority shall <del>conclude</del> <u>the</u> <u>transmit a draft</u> assessment <u>of the matters</u> referred to in paragraph 2 <del>and issue a report</del> <u>to</u>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	<p>the starting date of the annual reporting period immediately following the last reporting period that triggered the obligation to conduct the assessment in accordance with paragraph 1. Where, in accordance with paragraph 3, EBA is conducting the assessment, that period shall start to count from the date on which EBA became responsible for conducting the assessment. The report shall lay down the following:</p>	<p><u>the competent authorities concerned</u> by no later than six months from the starting date of the annual reporting period immediately following the last reporting period that triggered the obligation to conduct the assessment in accordance with paragraph 1. <del>Where, in accordance with paragraph 3, EBA is conducting</del>The assessment, <del>that period</del> shall <del>start to count from the date on which EBA became responsible for conducting the assessment. The report shall lay down the following:</del><u>be performed every two years thereafter</u></p>	
441	<p>(a) the assessment of systemic importance, which shall set out a clear and detailed analysis of the systemic importance indicators referred to in paragraph 2 in relation to the relevant third country branches and the lead competent authority's or, where applicable, EBA's conclusion;</p>	<p><i>deleted</i></p>	<p><i>deleted</i></p>
442	<p>(b) where the lead competent authority or, where applicable, EBA concludes that the third country branches are systemic, a proposed draft decision either:</p>	<p><i>deleted</i></p>	<p><i>deleted</i></p>
443	<p>(i) to require the third country branches to</p>		

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	apply for authorisation under Title III, Chapter 1;	<i>deleted</i>	<i>deleted</i>
444	(ii) to require the third country branches to restructure their assets or activities in the Union in such a manner that they cease to qualify as systemic in accordance with paragraph 2 of this Article;	<i>deleted</i>	<i>deleted</i>
445	(iii) to impose additional requirements on the third country branches or the subsidiary institutions of the third country group in the Union in accordance with Article 48p or Title VII, Chapter 2, Section IV, respectively;	<i>deleted</i>	<i>deleted</i>
446	(iv) not to impose any of the requirements referred to in points (i) to (iii) for a deferral period not exceeding 12 months and subject to conducting a new assessment of the third country branches before the expiry date of that period.	<i>deleted</i>	<i>deleted</i>
447	(c) the rationale of the proposed draft decision referred to in point (b), which shall set out a detailed explanation of how the decision relates back to the assessment referred to in point (a).	<i>deleted</i>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
448	The lead competent authority or, where applicable, EBA shall only propose the decision referred to in point (b)(iv) where it can justify that the absence of requirements on the third country branches under this Article would not lead to a significant increase in the risk that those branches pose to financial stability and market integrity of the Union or the Member States during the deferral period referred to in that point.	<i>deleted</i>	<i>deleted</i>
449	Where applicable, the references to ‘lead competent authority’ in this Article shall be understood as references to the competent authority referred to in paragraph 3, point (c). Where that competent authority is responsible for issuing the report laid down in this paragraph, the decision set out therein shall enter into force on the date of its notification to the third country branches. The competent authority shall also notify the decision to EBA.	<i>deleted</i>	<i>deleted</i>
449a		<u><i>4a. Where appropriate to address the risks identified in the draft assessment, the lead competent authority may recommend that the third country branches be subject to targeted requirements that may include:</i></u>	

	Commission Proposal	EP Mandate	Council Mandate
449b		<u>(a) the obligation to restructure their assets or activities in the Union in such a manner that they cease to qualify as systemic in accordance with paragraph 2 of this Article or that they cease to pose an undue risk to the financial stability of the Union; or</u>	
449c		<u>(b) additional prudential requirements in accordance with Article 48p.</u>	
450	5. The lead competent authority or, where applicable, EBA shall submit the report referred to in paragraph 5 to the competent authorities concerned. The lead competent authority and the competent authorities concerned shall do their best endeavours to reach a joint decision by consensus on the report and, where applicable, the draft decision within three months from the date on which the report was transmitted.	5. <del>The lead competent authority or, where applicable, EBA shall submit the report referred to in paragraph 5 to the competent authorities concerned.</del> The lead competent authority and the competent authorities concerned shall do their best endeavours to reach a joint decision by consensus on the <u>draft</u> report and, where applicable, <u>on the targeted requirements referred to in paragraph 4 by no later than</u> <del>the draft decision within</del> three months from the date on which the <u>draft</u> report was transmitted <u>from the former to the latter</u> .	<i>deleted</i>
451	Where the competent authorities fail to reach a consensus after the end of the three-month	<del>Where the competent authorities fail to reach a consensus</del> <u>In the absence of a joint decision</u>	<i>deleted</i>



	Commission Proposal	EP Mandate	Council Mandate
	<p>period referred to in the first subparagraph, the joint decision shall be made within the month immediately following the end of the preceding three month period by a majority of votes cast. For those purposes, the voting stakes shall be allocated to the competent authorities in accordance with the following:</p>	<p>after the end of the three-month period referred to in the first subparagraph, <del>the joint decision shall be made within the month immediately following the end of the preceding three month period by a majority of votes cast. For those purposes, the voting stakes</del> <u>any competent authority concerned may refer the matter to the EBA for mediation in accordance with Article 19 of Regulation (EU) No 1093/2010. EBA shall take its decision within one month of the referral and the competent authorities concerned shall be allocated to the competent authorities in accordance</u> <u>adopt the joint decision referred to in the first subparagraph in conformity</u> with the <del>following:</del> <u>decision of EBA.</u></p>	
452	<p>(a) subject to point (b), each competent authority, including the lead competent authority, shall be entitled to a voting stake equal to the percentage of assets of the third country group under its supervision relative to the total assets of that group in the Union;</p>	<p><i>deleted</i></p>	<p><i>deleted</i></p>
453	<p>(b) the voting stake of the lead competent authority shall be increased up to 25 % where it did not reach that percentage in accordance with point (a);</p>	<p><i>deleted</i></p>	<p><i>deleted</i></p>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
454	(c) where the voting stake of the lead competent authority has been increased to 25 % in accordance with point (b), the voting stakes of the remaining competent authorities that result from point (a) shall be adjusted as appropriate as stakes on the remaining 75 % of the voting rights.	<i>deleted</i>	<i>deleted</i>
455	For the purposes of point (a), the assets held in both the third country branches and subsidiary institutions of the third country group shall be included in the calculation.	<i>deleted</i>	<i>deleted</i>
456	After its adoption, the joint decision shall enter into force on the date it is notified to the third country branches. The joint decision shall also be notified to the EBA.	<i>deleted</i>	<i>deleted</i>
457	6. The third country branches shall have a period of three months from the date of the decision's entering into force in accordance with paragraphs 5 or 6 to comply with the requirements laid down in that decision.	6. The third country branches shall have a period of three months from the date of the decision's entering into force in accordance with paragraphs 5 or 6 to comply with the requirements laid down in that decision.	<i>deleted</i>
458	Where the third country branches are required	Where the third country branches are required	

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	to apply for authorisation as institutions in accordance with Title III, Chapter 1, their authorisation under this Title shall remain valid on an interim basis until the expiry of the deadline referred to in the first subparagraph of this paragraph is reached or, as the case may be, until the completion of the authorisation process as institutions. The third country branches may request the competent authority to extend the three-month deadline referred to in the first subparagraph where they can justify the need for such an extended deadline to comply with the relevant requirement imposed on them.	to apply for authorisation as institutions in accordance with Title III, Chapter 1, their authorisation under this Title shall remain valid on an interim basis until the expiry of the deadline referred to in the first subparagraph of this paragraph is reached or, as the case may be, until the completion of the authorisation process as institutions. The third country branches may request the competent authority to extend the three-month deadline referred to in the first subparagraph where they can justify the need for such an extended deadline to comply with the relevant requirement imposed on them.	<i>deleted</i>
459	Where the threshold referred to in paragraph 1 is met by aggregation of assets of various branches, the competent authorities may impose the requirement referred to in this subparagraph in decreasing asset size order up to the point in which the total assets remaining on the books of the third country branches in the Union is less than EUR 30 billion.	Where the threshold referred to in paragraph 1 is met by aggregation of assets of various branches, the competent authorities may impose the requirement referred to in this subparagraph in decreasing asset size order up to the point in which the total assets remaining on the books of the third country branches in the Union is less than EUR 30 billion.	<i>deleted</i>
460	7. EBA shall develop draft regulatory technical standards to specify the rules of construction for the interpretation of Article 111 of this Directive for the purposes of determining the hypothetical consolidated supervisor as referred to in paragraph 3, point (b), of this Article.	7. EBA shall develop draft regulatory technical standards to specify the rules of construction for the interpretation of Article 111 of this Directive for the purposes of determining the hypothetical consolidated supervisor as referred to in paragraph 3, point (b), of this Article.	<i>deleted</i>

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461	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	<i>deleted</i>
462	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	<i>deleted</i>
463	Sub-section 4 Reporting requirements	Sub-section 4 Reporting requirements	Sub-section 4 <b>Minimum</b> reporting requirements
464	Article 481 Regulatory, financial and head undertaking information	Article 481 Regulatory, financial and head undertaking information	Article 481 Regulatory, <b>and</b> financial <b>information of the third country branch and of the</b> <del>and</del> head undertaking <del>information</del>
465	1. Member States shall require third country branches to periodically report to their competent authorities information on:	1. Member States shall require third country branches to periodically report to their competent authorities information on:	1. Member States shall, <b>at a minimum</b> , require third country branches to periodically report to their competent authorities information on:

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466	(a) the assets and liabilities held on their books in accordance with Article 48i, with a breakdown that singles out:	(a) the assets and liabilities held on their books in accordance with Article 48i <u>or originated by the third country branch</u> , with a breakdown that singles out:	(a) the assets and liabilities held on their books in accordance with Article 48i, with a breakdown that singles out:
467	(i) the largest recorded assets and liabilities classified by sector and counterparty type (including, in particular, financial sector exposures);	(i) the largest recorded assets and liabilities classified by sector and counterparty type (including, in particular, financial sector exposures);	(i) the largest recorded assets and liabilities classified by sector and counterparty type (including, in particular, financial sector exposures);
468	(ii) significant exposure and funding source concentrations to specified types of counterparties;	(ii) significant exposure and funding source concentrations to specified types of counterparties;	(ii) significant exposure and funding source concentrations to specified types of counterparties;
469	(iii) significant internal transactions with the head undertaking and with members of the head undertaking's group;	(iii) significant internal transactions with the head undertaking and with members of the head undertaking's group;	(iii) significant internal transactions with the head undertaking and with members of the head undertaking's group;
470	(b) the third country branch's compliance with the requirements that apply to them under this Directive;	(b) the third country branch's compliance with the requirements that apply to them under this Directive;	(b) the third country branch's compliance with the requirements that apply to them under this Directive;
471			

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	(c) on an ad hoc basis, the deposit protection arrangements available to depositors in the third country branch in accordance with Article 15(2) and (3) of Directive 2014/49;	(c) on an ad hoc basis, the deposit protection arrangements available to depositors in the third country branch in accordance with Article 15(2) and (3) of Directive 2014/49;	(c) on an ad hoc basis, the deposit protection arrangements available to depositors in the third country branch in accordance with Article 15(2) and (3) of Directive 2014/49;
472	(d) additional regulatory requirements imposed on the third country branch by Member States under national law.	(d) additional regulatory requirements imposed on the third country branch by Member States under national law.	(d) additional regulatory requirements imposed on the third country branch by Member States under national law.
473	For the purposes of reporting the information on the assets and liabilities held on their books in accordance with point (a), third country branches shall apply the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002* <sup>10</sup> or the applicable GAAP in the Member State.	For the purposes of reporting the information on the assets and liabilities held on their books in accordance with point (a), third country branches shall apply the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002* <sup>10</sup> or the applicable GAAP in the Member State.	For the purposes of reporting the information on the assets and liabilities held on their books in accordance with point (a), third country branches shall apply the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002* <sup>10</sup> or the applicable GAAP in the Member State.  <b>*10. Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).</b>
474	2. Member States shall require third country branches to report to their competent authorities the following information on their head undertaking:	2. Member States shall require third country branches to report to their competent authorities the following information on their head undertaking:	2. Member States shall require third country branches to report to their competent authorities the following information on their head undertaking:

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475	(a) on a periodic basis, aggregated information on the assets and liabilities held or booked, respectively, by the subsidiaries and other third country branches of that head undertaking's group in the Union;	(a) on a periodic basis, aggregated information on the assets and liabilities held or booked, respectively, by the subsidiaries and other third country branches of that head undertaking's group in the Union;	(a) on a periodic basis, aggregated information on the assets and liabilities held or booked, respectively, by the subsidiaries and other third country branches of that head undertaking's group in the Union;
476	(b) on a periodic basis, the head undertaking's compliance with its applicable prudential requirements on an individual and consolidated basis;	(b) on a periodic basis, the head undertaking's compliance with its applicable prudential requirements on an individual and consolidated basis;	(b) on a periodic basis, the head undertaking's compliance with its applicable prudential requirements on an individual and consolidated basis;
477	(c) on an ad hoc basis, significant supervisory reviews and assessments when those are conducted on the head undertaking and the consequent supervisory decisions;	(c) on an ad hoc basis, significant supervisory reviews and assessments when those are conducted on the head undertaking and the consequent supervisory decisions;	(c) on an ad hoc basis, significant supervisory reviews and assessments when those are conducted on the head undertaking and the consequent supervisory decisions;
478	(d) the recovery plans of the head undertaking and the specific measures that could be taken on the third country branch in accordance with those plans, and any subsequent updates and amendments to those plans;	(d) the recovery plans of the head undertaking and the specific measures that could be taken on the third country branch in accordance with those plans, and any subsequent updates and amendments to those plans;	(d) the recovery plans of the head undertaking and the specific measures that could be taken on the third country branch in accordance with those plans, and any subsequent updates and amendments to those plans;
479	(e) the head undertaking's business strategy in relation to the third country branch, and any subsequent changes to that strategy;	(e) the head undertaking's business strategy in relation to the third country branch, and any subsequent changes to that strategy;	(e) the head undertaking's business strategy in relation to the third country branch, and any subsequent changes to that strategy;

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480	(f) the services provided by the head undertaking to eligible counterparties or professional clients within the meaning of Section 1 of Annex II to Directive 2014/65/EU established or situated in the Union on the basis of reverse solicitation of services in accordance with Article 21c of this Directive.	(f) the services provided by the head undertaking to eligible counterparties or professional clients within the meaning of Section 1 of Annex II to Directive 2014/65/EU established or situated in the Union on the basis of reverse solicitation of services in accordance with Article 21c of this Directive.	(f) the services provided by the head undertaking to eligible counterparties or professional clients within the meaning of Section 1 of Annex II to Directive 2014/65/EU established or situated in the Union on the basis of reverse solicitation of services. <b>For these purposes, reverse solicitation shall have the same meaning as in</b> <del>in accordance with Article 21c of this</del> <b>42 of Directive 2014/65/EU.</b>
480a		<u><i>(fa) the cross-border investment services directly provided in the Union by the head undertaking and by the subsidiaries of the head undertaking established in a third country, and the investment services that are provided in the Union by the head undertaking established in a third country on the basis of reverse solicitation</i></u>	
481	3. The reporting obligations laid down in this Article shall not prevent competent authorities from imposing additional ad hoc reporting requirements on third country branches where the competent authority deems the additional information necessary to gain a comprehensive view of the branch's or its head undertaking's business, activities or financial soundness,	3. The reporting obligations laid down in this Article shall not prevent competent authorities from imposing additional ad hoc reporting requirements on third country branches where the competent authority deems the additional information necessary to gain a comprehensive view of the branch's or its head undertaking's business, activities or financial soundness,	3. The reporting obligations laid down in this Article shall not prevent competent authorities from imposing additional <del>ad hoc</del> reporting requirements on third country branches where the competent authority deems the additional information necessary to gain a comprehensive view of the branch's or its head undertaking's business, activities or financial soundness,



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	verify the branch's and its head undertaking's compliance with applicable laws and ensure the branch's compliance with those laws.	verify the branch's and its head undertaking's compliance with applicable laws and ensure the branch's compliance with those laws.	verify the branch's and its head undertaking's compliance with applicable laws and ensure the branch's compliance with those laws.
482	_____	_____	<i>deleted</i>
483	*10 Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).'	*10 Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards (OJ L 243, 11.9.2002, p. 1).'	<i>deleted</i>
483a		<u><i>3a. The competent authorities of third country branches shall share with the competent authorities of the Union subsidiaries of the same third country groups the information obtained in accordance with Article 48l(1) and (2).</i></u>	
484	Article 48m Standard forms and templates and frequency of reporting	Article 48m Standard forms and templates and frequency of reporting	Article 48m Standard forms and templates and frequency of reporting
485	1. EBA shall develop draft implementing	1. EBA shall develop draft implementing	1. EBA shall develop draft implementing

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	technical standards to specify the uniform formats, definitions, the IT solutions and the frequency of reporting to be applied for the purposes of Article 48l.	technical standards to specify the uniform formats, definitions, the IT solutions and the frequency of reporting to be applied for the purposes of Article 48l.	technical standards to specify the uniform formats, definitions, the IT solutions and the frequency of reporting to be applied for the purposes of Article 48l.
486	The reporting requirements referred to in the first subparagraph shall be proportionate to the classification of third country branches as either class 1 or class 2.	The reporting requirements referred to in the first subparagraph shall be proportionate to the classification of third country branches as either class 1 or class 2.	The reporting requirements referred to in the first subparagraph shall be proportionate to the classification of third country branches as either class 1 or class 2.
487	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 6 months from the date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 6 months from the date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 6 months from the date of entry into force of this amending Directive].
488	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.
489	2. The regulatory and financial information referred to in this Article shall be reported at least biannually by class 1 third country branches and at least annually by class 2 third country branches.	2. The regulatory and financial information referred to in this Article shall be reported at least biannually by class 1 third country branches and at least annually by class 2 third country branches.	2. The regulatory and financial information referred to in this Article shall be reported at least <del>biannually</del> <b>twice a year</b> by class 1 third country branches and at least annually by class 2 third country branches.

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490	3. Competent authorities may waive all or part of the requirements to report information on the head undertaking laid out in paragraph 48l(3) for qualifying third country branches, provided that the competent authority is able to obtain the relevant information directly from the supervisory authorities of the relevant third country.	3. Competent authorities may waive all or part of the requirements to report information on the head undertaking laid out in paragraph 48l(3) for qualifying third country branches, provided that the competent authority is able to obtain the relevant information directly from the supervisory authorities of the relevant third country.	3. Competent authorities may waive all or part of the requirements to report information on the head undertaking laid out in paragraph 48l(3) for qualifying third country branches, provided that the competent authority is able to obtain the relevant information directly from the supervisory authorities of the relevant third country.
491	Section III	Section III	Section III
492	Supervision	Supervision	Supervision
493	Article 48n Third country branches supervision and supervisory examination programme	Article 48n Third country branches supervision and supervisory examination programme	Article 48n Third country branches supervision and supervisory examination programme
494	1. Member States shall require that competent authorities comply with this Section and, mutatis mutandis, with Title VII for the purposes of supervising third country branches.	1. Member States shall require that competent authorities comply with this Section and, mutatis mutandis, with Title VII for the purposes of supervising third country branches.	1. Member States shall require that competent authorities comply with this Section <del>and, mutatis mutandis, with Title VII</del> for the purposes of supervising third country branches.
495	2. Competent authorities shall include third country branches in the supervisory	2. Competent authorities shall include third country branches in the supervisory	2. Competent authorities shall include third country branches in the supervisory

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	examination programme referred to in Article 99.	examination programme referred to in Article 99.	examination programme referred to in Article 99.
496	Article 48o Supervisory review and evaluation	Article 48o Supervisory review and evaluation	Article 48o Supervisory review and evaluation
497	1. Member States shall require that competent authorities review the arrangements, strategies, processes and mechanisms implemented by third country branches to comply with the provisions that apply to them under this Directive and, where applicable, any additional regulatory requirements under national law.	1. Member States shall require that competent authorities review the arrangements, strategies, processes and mechanisms implemented by third country branches to comply with the provisions that apply to them under this Directive and, where applicable, any additional regulatory requirements under national law.	1. Member States shall require that competent authorities review the arrangements, strategies, processes and mechanisms implemented by third country branches to comply with the provisions that apply to them under this Directive and, where applicable, any additional regulatory requirements under national law.
498	2. On the basis of the review conducted in accordance with paragraph 1, the competent authorities shall evaluate whether the arrangements, strategies, processes and mechanisms implemented by the third country branches and the capital endowment and liquidity held by them ensure a sound management and coverage of their material risks and the viability of the branch.	2. On the basis of the review conducted in accordance with paragraph 1, the competent authorities shall evaluate whether the arrangements, strategies, processes and mechanisms implemented by the third country branches and the capital endowment and liquidity held by them ensure a sound management and coverage of their material risks and the viability of the branch.	2. On the basis of the review conducted in accordance with paragraph 1, the competent authorities shall evaluate whether the arrangements, strategies, processes and mechanisms implemented by the third country branches and the capital endowment and liquidity held by them ensure a sound management and coverage of their material risks and the viability of the branch.
499	3. Competent authorities shall conduct the review and evaluation referred to in paragraphs	3. Competent authorities shall conduct the review and evaluation referred to in paragraphs	3. Competent authorities shall conduct the review and evaluation referred to in paragraphs

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	1 and 2 in accordance with the principle of proportionality, as published in accordance with Article 143(1), point (c). In particular, competent authorities shall establish a frequency and intensity for the review referred to in paragraph 1 that is proportionate to the classification as class 1 and 2 third country branches and that takes into account other relevant criteria, such as the nature, scale and complexity of the third country branches' activities.	1 and 2 in accordance with the principle of proportionality, as published in accordance with Article 143(1), point (c). In particular, competent authorities shall establish a frequency and intensity for the review referred to in paragraph 1 that is proportionate to the classification as class 1 and 2 third country branches and that takes into account other relevant criteria, such as the nature, scale and complexity of the third country branches' activities.	1 and 2 in accordance with the principle of proportionality, as published in accordance with Article 143(1), point (c). In particular, competent authorities shall establish a frequency and intensity for the review referred to in paragraph 1 that is proportionate to the classification as class 1 and 2 third country branches and that takes into account other relevant criteria, such as the nature, scale and complexity of the third country branches' activities.
500	4. Where a review, in particular the evaluation of the governance arrangements, the business model, or the activities of a third country branch, gives competent authorities reasonable grounds to suspect that, in connection with that third country branch, money laundering or terrorist financing is being or has been committed or attempted, or there is increased risk thereof, the competent authority shall immediately notify EBA and the authority that supervises the third country branch in accordance with Directive (EU) 2015/849. Where there is an increased risk of money laundering or terrorist financing, the competent authority and the authority that supervises the third country branch in accordance with Directive (EU) 2015/849 shall liaise and notify their common assessment immediately to EBA. The competent authority shall take, as appropriate, measures in accordance with this	4. Where a review, in particular the evaluation of the governance arrangements, the business model, or the activities of a third country branch, gives competent authorities reasonable grounds to suspect that, in connection with that third country branch, money laundering or terrorist financing is being or has been committed or attempted, or there is increased risk thereof, the competent authority shall immediately notify EBA and the authority that supervises the third country branch in accordance with Directive (EU) 2015/849. Where there is an increased risk of money laundering or terrorist financing, the competent authority and the authority that supervises the third country branch in accordance with Directive (EU) 2015/849 shall liaise and notify their common assessment immediately to EBA. The competent authority shall take, as appropriate, measures in accordance with this	4. Where a review, in particular the evaluation of the governance arrangements, the business model, or the activities of a third country branch, gives competent authorities reasonable grounds to suspect that, in connection with that third country branch, money laundering or terrorist financing is being or has been committed or attempted, or there is increased risk thereof, the competent authority shall immediately notify EBA and the authority that supervises the third country branch in accordance with Directive (EU) 2015/849. Where there is an increased risk of money laundering or terrorist financing, the competent authority and the authority that supervises the third country branch in accordance with Directive (EU) 2015/849 shall liaise and notify their common assessment immediately to EBA. The competent authority shall take, as appropriate, measures in accordance with this

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	Directive, which may include withdrawing the third country branch's permission in accordance with Article 48d(2), point (g).	Directive, which may include withdrawing the third country branch's permission in accordance with Article 48d(2), point (g).	Directive, which may include withdrawing the third country branch's permission in accordance with Article 48d(2), point (g).
501	5. Competent authorities, financial intelligence units and authorities that supervise third country branches shall cooperate closely with each other within their respective competences and shall exchange information relevant to this Directive, provided that such cooperation and information exchange do not impinge on an ongoing inquiry, investigation or proceedings in accordance with the criminal or administrative law of the Member State where the competent authority, financial intelligence unit or authority entrusted with the public duty of supervising third country branches are located. EBA may assist the competent authorities and the authorities in charge of supervising the third country branch in accordance with Directive (EU) 2015/849 in the event of a disagreement concerning the coordination of supervisory activities under this Article on its own initiative. In such an event, EBA shall act in accordance with Article 19(1), second subparagraph, of Regulation (EU) No 1093/2010.	5. Competent authorities, financial intelligence units and authorities that supervise third country branches shall cooperate closely with each other within their respective competences and shall exchange information relevant to this Directive, provided that such cooperation and information exchange do not impinge on an ongoing inquiry, investigation or proceedings in accordance with the criminal or administrative law of the Member State where the competent authority, financial intelligence unit or authority entrusted with the public duty of supervising third country branches are located. EBA may assist the competent authorities and the authorities in charge of supervising the third country branch in accordance with Directive (EU) 2015/849 in the event of a disagreement concerning the coordination of supervisory activities under this Article on its own initiative. In such an event, EBA shall act in accordance with Article 19(1), second subparagraph, of Regulation (EU) No 1093/2010.	5. Competent authorities, financial intelligence units and authorities that supervise third country branches shall cooperate closely with each other within their respective competences and shall exchange information relevant to this Directive, provided that such cooperation and information exchange do not impinge on an ongoing inquiry, investigation or proceedings in accordance with the criminal or administrative law of the Member State where the competent authority, financial intelligence unit or authority entrusted with the public duty of supervising third country branches are located. EBA may assist the competent authorities and the authorities in charge of supervising the third country branch in accordance with Directive (EU) 2015/849 in the event of a disagreement concerning the coordination of supervisory activities under this Article on its own initiative. In such an event, EBA shall act in accordance with Article 19(1), second subparagraph, of Regulation (EU) No 1093/2010.
502	6. EBA shall develop draft regulatory technical standards to further specify:	6. EBA shall develop draft regulatory technical standards to further specify: <u>the common</u>	6. EBA shall- develop <del>draft regulatory technical standards</del> <b>guidelines</b> to further

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		<u><a href="#">procedures and methodologies for the supervisory review and evaluation process referred to in this Article and for the assessment of the treatment of material risks</a></u>	specify:
503	(a) the common procedures and methodologies for the supervisory review and evaluation process referred to in this Article and for the assessment of the treatment of material risks;	<i>deleted</i>	(a) the common procedures and methodologies for the supervisory review and evaluation process referred to in this Article and for the assessment of the treatment of material risks;
504	(b) the mechanisms for cooperation and information exchange between the authorities referred to in paragraph 5 of this Article, in the context of identifying serious breaches of anti-money laundering rules.	<i>deleted</i>	(b) the mechanisms for cooperation and information exchange between the authorities referred to in paragraph 5 of this Article, in the context of identifying serious breaches of anti-money laundering rules.
505	For the purposes of point (a), the procedures and methodologies referred to therein shall be laid down in a manner that is proportionate to the classification of the third country branches as class 1 or class 2, and to other appropriate criteria such as the nature, scale and complexity of their activities.	For the purposes of point (a), the procedures and methodologies referred to therein shall be laid down in a manner that is proportionate to the classification of the third country branches as class 1 or class 2, and to other appropriate criteria such as the nature, scale and complexity of their activities.	For the purposes of point (a), the procedures and methodologies referred to therein shall be laid down in a manner that is proportionate to the classification of the third country branches as class 1 or class 2, and to other appropriate criteria such as the nature, scale and complexity of their activities.
506	EBA shall submit those draft regulatory technical standards to the Commission by [OP	EBA shall submit those draft regulatory technical standards to the Commission by [OP	EBA shall <del>submit</del> <b>issue</b> those <del>draft regulatory technical standards to the</del>

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	please insert the date = 12 months from the date of entry into force of this amending Directive].	please insert the date = 12 months from the date of entry into force of this amending Directive].	<del>Commission</del> <b>guidelines</b> by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].
507	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	<i>deleted</i>
507a		<u>Article 48oa</u> <u>Regulatory technical standards on cooperation with authorities responsible for supervision of anti-money laundering</u>	
507b		<u>EBA shall, after consulting the European Data Protection Board, issue regulatory technical standards on the mechanisms for cooperation and information exchange between competent authorities and:</u>	
507c		<u>(a) the authorities responsible for supervision of anti-money laundering in the Member State in accordance with Directive (EU) 2015/849 in the context of the application of Articles 27b (2), 48c (4) and 48d (4);</u>	



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507d		<u><i>(b) the authorities referred to in paragraph 5 of Article 48o, in the context of identifying serious breaches of anti-money laundering rules.</i></u>	
507e		<u><i>The EBA shall issue those regulatory technical standards by [JOP please insert the date = 12 months from date of entry into force of this amending Directive].</i></u>	
507f		<u><i>Power is delegated to the Commission to supplement this Directive by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.</i></u>	
508	Article 48p Supervisory measures and powers	Article 48p Supervisory measures and powers	Article 48p Supervisory measures and powers
509	1. Competent authorities shall require third country branches to take the necessary measures at an early stage in order to:	1. Competent authorities shall require third country branches to take the necessary measures at an early stage in order to:	1. Competent authorities shall require third country branches to take the necessary measures at an early stage in order to:

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510	(a) ensure that the third country branches comply with the requirements that apply to them under this Directive and under national law or to restore compliance with those requirements; and	(a) ensure that the third country branches comply with the requirements that apply to them under this Directive and under national law or to restore compliance with those requirements; and	(a) ensure that the third country branches comply with the requirements that apply to them under this Directive and under national law or to restore compliance with those requirements; and
511	(b) to ensure that the material risks that the third country branches are exposed to are covered and managed in a sound and sufficient manner and that those branches remain viable.	(b) to ensure that the material risks that the third country branches are exposed to are covered and managed in a sound and sufficient manner and that those branches remain viable.	(b) to ensure that the material risks that the third country branches are exposed to are covered and managed in a sound and sufficient manner and that those branches remain viable.
512	2. Competent authorities' powers for the purposes of paragraph 1 shall include, at least, the power to require third country branches to:	2. Competent authorities' powers for the purposes of paragraph 1 shall include, at least, the power to require third country branches to:	2. Competent authorities' powers for the purposes of paragraph 1 shall include, at least, the power to require third country branches to:
513	(a) hold an amount of capital endowment in excess of the minimum requirements laid down in Article 48e or to comply with other additional capital requirements. Any additional capital endowment amount to be held by the third country branch in accordance with this point shall comply with the requirement laid down in Article 48e;	(a) hold an amount of capital endowment in excess of the minimum requirements laid down in Article 48e or to comply with other additional capital requirements. Any additional capital endowment amount to be held by the third country branch in accordance with this point shall comply with the requirement laid down in Article 48e;	(a) hold an amount of capital endowment in excess of the minimum requirements laid down in Article 48e or to comply with other additional capital requirements. Any additional capital endowment amount to be held by the third country branch in accordance with this point shall comply with the requirement laid down in Article 48e;
514	(b) meet other specific liquidity requirements	(b) meet other specific liquidity requirements	(b) meet other specific liquidity requirements

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	in addition to the requirement laid down in Article 48f. Any additional liquid assets to be held by the third country branch in accordance with this point shall comply with the requirements laid down in Article 48f;	in addition to the requirement laid down in Article 48f. Any additional liquid assets to be held by the third country branch in accordance with this point shall comply with the requirements laid down in Article 48f;	in addition to the requirement laid down in Article 48f. Any additional liquid assets to be held by the third country branch in accordance with this point shall comply with the requirements laid down in Article 48f;
515	(c) reinforce their governance, risk control or booking arrangements;	(c) reinforce their governance, risk control or booking arrangements;	(c) reinforce their governance, risk control or booking arrangements;
516	(d) restrict or limit the scope of their business or of the activities they conduct, as well as the counterparties to those activities;	(d) restrict or limit the scope of their business or of the activities they conduct, as well as the counterparties to those activities;	(d) restrict or limit the scope of their business or of the activities they conduct, as well as the counterparties to those activities;
517	(e) reduce the risk inherent in their activities, products and systems, including outsourced activities, and stop engaging or offering such activities or products;	(e) reduce the risk inherent in their activities, products and systems, including outsourced activities, and stop engaging or offering such activities or products;	(e) reduce the risk inherent in their activities, products and systems, including outsourced activities, and stop engaging or offering such activities or products;
518	(f) comply with additional reporting requirements in accordance with Article 48l(3) or increase the frequency of the regular reporting;	(f) comply with additional reporting requirements in accordance with Article 48l(3) or increase the frequency of the regular reporting;	(f) comply with additional reporting requirements in accordance with Article 48l(3) or increase the frequency of the regular reporting;
519	(g) make public disclosures.	(g) make public disclosures.	(g) make public disclosures.

	Commission Proposal	EP Mandate	Council Mandate
519a		<u><i>(ga) suspend the authorisation granted in accordance with Article 48c and prohibit engaging in new business.</i></u>	
519b			<b>3. Competent authorities, or where appropriate the designated authorities, shall assess the financial stability risks that third country branches that are considered as systemic pose for the Member State where they are established. Those authorities shall be granted with the following powers to address the actual or potential financial stability risks identified in relation to third country branches assessed as systemic:</b>
519c			<b>(a) to require that the relevant third country branch applies for authorisation as a subsidiary institution under Title III, Chapter 1;</b>
519d			<b>(b) to require that the relevant third country branch restructure its assets or activities;</b>
519e			<b>(c) to impose additional prudential</b>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>requirements on the relevant third country branch.</b>
519f			<b>4. For the purposes of conducting the assessment referred to in paragraph 3, the competent authorities, or where appropriate designated authorities, shall take into account appropriate criteria of systemic importance of third country branches, which shall include in particular:</b>
519g			<b>(a) the size of the third country branch;</b>
519h			<b>(b) the type of business that the third country branch conducts;</b>
519i			<b>(c) the degree of interconnectedness of the third country branch with the financial system of the Member State where it is established;</b>
519j			<b>(d) the substitutability of the activities, services or operations conducted of the financial infrastructure provided by the third country branch;</b>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
519k			<b>(e) the market share of the third country branch in the Member State where it is established as regards total banking assets and in relation the activities, services and the operations that it conducts;</b>
519l			<b>(f) the likely impact that a suspension or closure of the third country branch's operations or business could have on the liquidity of the financial system of that Member State or the payment, clearing and settlement systems in the Member State where it is established;</b>
519m			<b>(g) the role and importance of the third country branch for the activities, services and operations of the third country group in the Member State where it is established;</b>
519n			<b>(h) the role and importance of the third country branch in the context of resolution or winding up based on information from the resolution authority.</b>
519o			

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>5. By [date: 31/12/2025] EBA shall submit a report to the European Parliament, to the Council and to the Commission, taking due account of the geographical limitations applicable to the authorisations granted to third country branches in accordance with point (d) of paragraph 3 of Article 48c, on the merit of:</b>
519p			<b>(a) performing an assessment of the systemic importance for the Union of a third country group on the basis of systemic criteria defined in aggregate at the level of the Union. The EBA shall report on such possible criteria;</b>
519q			<b>(b) introducing a cooperation mechanism between the competent authorities concerned for them to perform this assessment jointly, or any other mechanism fostering the exchange of the relevant information. In this regard, the EBA shall set out how such mechanism would be articulated with the supervisory powers of the competent authorities concerned with respect to the branches established in their Member States.</b>
520			

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	Article 48q Cooperation between competent authorities and colleges of supervisors	Article 48q Cooperation between competent authorities and colleges of supervisors	Article 48q Cooperation between competent authorities and colleges of supervisors
521	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.	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.	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.
522	2. For the purposes 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, subject to the following requirements:	2. For the purposes 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, subject to the following requirements:	2. For the purposes 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, subject to the following requirements:
523	(a) where a college of supervisors has been established in relation to the subsidiary institutions of a third country group, the class 1 third country branches of the same group shall be included within the scope of that college of supervisors;	(a) where a college of supervisors has been established in relation to the subsidiary institutions of a third country group, the class 1 third country branches of the same group shall be included within the scope of that college of supervisors;	(a) where a college of supervisors has been established in relation to the subsidiary institutions of a third country group, the class 1 third country branches of the same group shall be included within the scope of that college of supervisors;
524	(b) where the third country group has class 1	(b) where the third country group has class 1	(b) where the third country group has class 1



	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	third country branches in more than one Member State but no subsidiary institutions in the Union subject to Article 116, a college of supervisors shall be established in relation to those class 1 third country branches;	third country branches in more than one Member State but no subsidiary institutions in the Union subject to Article 116, a college of supervisors shall be established in relation to those class 1 third country branches;	third country branches in more than one Member State but no subsidiary institutions in the Union subject to Article 116, a college of supervisors shall be established in relation to those class 1 third country branches;
525	(c) where the third country group has class 1 third country branches in more than one Member State or at least one class 1 third country branch, and one or more subsidiary institutions in the Union that are not subject to Article 116, a college of supervisors shall be established in relation to those third country branches and subsidiary institutions.	(c) where the third country group has class 1 third country branches in more than one Member State or at least one class 1 third country branch, and one or more subsidiary institutions in the Union that are not subject to Article 116, a college of supervisors shall be established in relation to those third country branches and subsidiary institutions.	(c) where the third country group has class 1 third country branches in more than one Member State or at least one class 1 third country branch, and one or more subsidiary institutions in the Union that are not subject to Article 116, a college of supervisors shall be established in relation to those third country branches and subsidiary institutions.
526	3. For the purposes of paragraph 2, points (b) and (c), there shall be a lead competent authority that performs the same role as the consolidating supervisor in accordance with Article 116. The lead competent authority shall be that of the Member State with the largest third country branch in terms of total value of booked assets.	3. For the purposes of paragraph 2, points (b) and (c), there shall be a lead competent authority that performs the same role as the consolidating supervisor in accordance with Article 116. The lead competent authority shall be that of the Member State with the largest third country branch in terms of total value of booked assets.	3. For the purposes of paragraph 2, points (b) and (c), there shall be a lead competent authority that performs the same role as the consolidating supervisor in accordance with Article 116. The lead competent authority shall be that of the Member State with the largest third country branch in terms of total value of booked assets.
527	4. In addition to the tasks set out in Article 116, the colleges of supervisors shall:	4. In addition to the tasks set out in Article 116, the colleges of supervisors shall:	4. In addition to the tasks set out in Article 116, the colleges of supervisors shall:

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
528	(a) prepare a report on the structure and activities of the third country group in the Union and update this report on an annual basis;	(a) prepare a report on the structure and activities of the third country group in the Union and update this report on an annual basis;	(a) prepare a report on the structure and activities of the third country group in the Union and update this report on an annual basis;
529	(b) exchange information on the results of the supervisory review and evaluation process referred to in Article 48o;	(b) exchange information on the results of the supervisory review and evaluation process referred to in Article 48o;	(b) exchange information on the results of the supervisory review and evaluation process referred to in Article 48o;
530	(c) endeavour to align the application of the supervisory measures and powers referred to in Article 48p.	(c) endeavour to align the application of the supervisory measures and powers referred to in Article 48p.	(c) endeavour to align the application of the supervisory measures and powers referred to in Article 48p.
531	5. The college of supervisors shall ensure appropriate coordination and cooperation with relevant third country supervisory authorities where appropriate.	5. The college of supervisors shall ensure appropriate coordination and cooperation with relevant third country supervisory authorities where appropriate.	5. The college of supervisors shall ensure appropriate coordination and cooperation with relevant third country supervisory authorities where appropriate.
532	6. EBA shall contribute to promoting and monitoring the efficient, effective and consistent functioning of the colleges of supervisors referred to in this Article in accordance with Article 21 of Regulation (EU) No 1093/2010.	6. EBA shall contribute to promoting and monitoring the efficient, effective and consistent functioning of the colleges of supervisors referred to in this Article in accordance with Article 21 of Regulation (EU) No 1093/2010.	6. EBA shall contribute to promoting and monitoring the efficient, effective and consistent functioning of the colleges of supervisors referred to in this Article in accordance with Article 21 of Regulation (EU) No 1093/2010.

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
533	7. EBA shall develop draft regulatory technical standards to specify:	7. EBA shall develop draft regulatory technical standards to specify:	7. EBA shall develop draft regulatory technical standards to specify:
534	(a) the mechanisms of cooperation and the draft model agreements between competent authorities for the purposes of paragraph 1 of this Article; and	(a) the mechanisms of cooperation and the draft model agreements between competent authorities for the purposes of paragraph 1 of this Article; and	(a) the mechanisms of cooperation and the draft model agreements between competent authorities for the purposes of paragraph 1 of this Article; and
535	(b) the conditions for the functioning of colleges of supervisors for the purposes of Articles 2 to 6 of this Article.	(b) the conditions for the functioning of colleges of supervisors for the purposes of Articles 2 to 6 of this Article.	(b) the conditions for the functioning of colleges of supervisors for the purposes of Articles 2 to 6 of this Article.
536	EBA shall submit those draft technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	EBA shall submit those draft technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	EBA shall submit those draft technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].
537	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.
538	Article 48r	Article 48r	Article 48r

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	Reporting to the EBA	Reporting to the EBA	<del>Reporting</del> <b>Notification</b> to the EBA
539	Competent authorities shall notify EBA the following:	Competent authorities shall notify EBA the following:	Competent authorities shall notify EBA the following:
540	(a) all the authorisations granted to third country branches and any subsequent changes to such authorisations;	(a) all the authorisations granted to third country branches and any subsequent changes to such authorisations;	(a) all the authorisations granted to third country branches and any subsequent changes to such authorisations;
541	(b) total assets and liabilities booked by the authorised third country branches, as periodically reported;	(b) total assets and liabilities booked by the authorised third country branches, as periodically reported;	(b) total assets and liabilities booked by the authorised third country branches, as periodically reported;
542	(c) the name of the third country group to which an authorised third country branch belongs.	(c) the name of the third country group to which an authorised third country branch belongs.	(c) the name of the third country group to which an authorised third country branch belongs.
543	EBA shall publish on its website a list of all third country branches authorised to operate in the Union in accordance with this Title, indicating the Member State in which they are authorised to operate.	EBA shall publish on its website a list of all third country branches authorised to operate in the Union in accordance with this Title, indicating the Member State in which they are authorised to operate.	EBA shall publish on its website a list of all third country branches authorised to operate in the Union in accordance with this Title, indicating the Member State in which they are authorised to operate.
544			

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	CHAPTER 2	CHAPTER 2	CHAPTER 2
545	Relations with third countries	Relations with third countries	Relations with third countries
546	Article 48s Cooperation with supervisory authorities of third countries regarding supervision on a consolidated basis	Article 48s Cooperation with supervisory authorities of third countries regarding supervision on a consolidated basis	Article 48s Cooperation with supervisory authorities of third countries regarding supervision on a consolidated basis
547	1. The Union may conclude agreements with one or more third countries regarding the means of exercising supervision on a consolidated basis over the following:	1. The Union may conclude agreements with one or more third countries regarding the means of exercising supervision on a consolidated basis over the following:	1. The Union may conclude agreements with one or more third countries regarding the means of exercising supervision on a consolidated basis over the following:
548	(a) institutions the parent undertakings of which have their head offices in a third country;	(a) institutions the parent undertakings of which have their head offices in a third country;	(a) institutions the parent undertakings of which have their head offices in a third country;
549	(b) institutions situated in third countries the parent undertakings of which, whether institutions, financial holding companies or mixed financial holding companies, have their head offices in the Union.	(b) institutions situated in third countries the parent undertakings of which, whether institutions, financial holding companies or mixed financial holding companies, have their head offices in the Union.	(b) institutions situated in third countries the parent undertakings of which, whether institutions, financial holding companies or mixed financial holding companies, have their head offices in the Union.

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
550	2. The agreements referred to in paragraph 1 shall, in particular, seek to ensure that:	2. The agreements referred to in paragraph 1 shall, in particular, seek to ensure that:	2. The agreements referred to in paragraph 1 shall, in particular, seek to ensure that:
551	(a) the competent authorities of Member States are able to obtain the information necessary for the supervision, on the basis of their consolidated financial situations, of institutions, financial holding companies and mixed financial holding companies situated in the Union which have as subsidiaries institutions or financial institutions situated in a third country, or holding participation therein;	(a) the competent authorities of Member States are able to obtain the information necessary for the supervision, on the basis of their consolidated financial situations, of institutions, financial holding companies and mixed financial holding companies situated in the Union which have as subsidiaries institutions or financial institutions situated in a third country, or holding participation therein;	(a) the competent authorities of Member States are able to obtain the information necessary for the supervision, on the basis of their consolidated financial situations, of institutions, financial holding companies and mixed financial holding companies situated in the Union which have as subsidiaries institutions or financial institutions situated in a third country, or holding participation therein;
552	(b) the supervisory authorities of third countries are able to obtain the information necessary for the supervision of parent undertakings the head offices of which are situated within their territories and which have as subsidiaries institutions or financial institutions situated in one or more Member States or holding participation therein; and	(b) the supervisory authorities of third countries are able to obtain the information necessary for the supervision of parent undertakings the head offices of which are situated within their territories and which have as subsidiaries institutions or financial institutions situated in one or more Member States or holding participation therein; and	(b) the supervisory authorities of third countries are able to obtain the information necessary for the supervision of parent undertakings the head offices of which are situated within their territories and which have as subsidiaries institutions or financial institutions situated in one or more Member States or holding participation therein; and
553	(c) the EBA is able to obtain from the competent authorities of the Member States the information received from national authorities of third countries in accordance with Article 35 of Regulation (EU) No 1093/2010.	(c) the EBA is able to obtain from the competent authorities of the Member States the information received from national authorities of third countries in accordance with Article 35 of Regulation (EU) No 1093/2010.	(c) the EBA is able to obtain from the competent authorities of the Member States the information received from national authorities of third countries in accordance with Article 35 of Regulation (EU) No 1093/2010.

	Commission Proposal	EP Mandate	Council Mandate
554	3. Without prejudice to Article 218 TFEU, the Commission shall, with the assistance of the European Banking Committee, examine the outcome of the negotiations referred to in paragraph 1 and the resulting situation.	3. Without prejudice to Article 218 TFEU, the Commission shall, with the assistance of the European Banking Committee, examine the outcome of the negotiations referred to in paragraph 1 and the resulting situation.	3. Without prejudice to Article 218 TFEU, the Commission shall, with the assistance of the European Banking Committee, examine the outcome of the negotiations referred to in paragraph 1 and the resulting situation.
555	4. EBA shall assist the Commission for the purposes of this Article in accordance with Article 33 of Regulation (EU) No 1093/2010.;	4. EBA shall assist the Commission for the purposes of this Article in accordance with Article 33 of Regulation (EU) No 1093/2010.;	4. EBA shall assist the Commission for the purposes of this Article in accordance with Article 33 of Regulation (EU) No 1093/2010.;
555a		<u><i>(8a) in Article 53(1), the second subparagraph is replaced by the following:</i></u>	<b>(8a) in Article 53 (1), subparagraph 2 is replaced by the following:</b>
555b		“ <u><i>Confidential information which such persons, auditors or experts receive in the course of their duties may be disclosed only in summary or aggregate form, such that individual credit institutions cannot be identified, without prejudice to cases covered by criminal or taxation law.;</i></u> ”	“ <b>Confidential information which such persons, auditors or experts receive in the course of their duties may be disclosed only in summary or aggregate form, such that individual credit institutions cannot be identified, without prejudice to cases covered by criminal or taxation law.;</b> ”
555c			

	Commission Proposal	EP Mandate	Council Mandate
		<u><i>(8b) in Article 53, paragraph 2 is replaced by the following:</i></u>	
555d		<p>"</p> <p><u><i>2. Paragraph 1 shall not prevent the competent authorities from exchanging information with each other or transmitting information to the ESRB, EBA, or the European Supervisory Authority (European Securities and Markets Authority) ('ESMA') established by Regulation (EU) No 1095/2010 of the European Parliament and of the Council<sup>1</sup> in accordance with this Directive, with Regulation (EU) No 575/2013, with Regulation (EU) 2019/2033 of the European Parliament and of the Council<sup>2</sup>, with Article 15 of Regulation (EU) No 1092/2010, with Articles 31, 35 and 36 of Regulation (EU) No 1093/2010 and with Articles 31 and 36 of Regulation (EU) No 1095/2010, with Directive (EU) 2019/2034 of the European Parliament and of the Council<sup>3</sup> and with other directives applicable to credit institutions. Competent authorities shall not be prevented from exchanging information with national taxation authorities, including where this information originates in another Member State. That information shall be subject to paragraph 1.</i></u></p> <p>"</p> <p><u><i>1. Regulation (EU) No 1095/2010 of the European</i></u></p>	"



	Commission Proposal	EP Mandate	Council Mandate
		<p><u><a href="#">Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).</a></u></p> <p><u><a href="#">2. Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (OJ L 314, 5.12.2019, p. 1).</a></u></p> <p><u><a href="#">3. Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU (OJ L 314, 5.12.2019, p. 64).;</a></u></p>	
555e			(8b) in Article 56 the following second subparagraph is added:
555f		"	" Article 53(1) and 54 shall not preclude the exchange of information between competent authorities and tax authorities in the same Member State to the extent that such exchange is stipulated by national laws of Member States. Where the information originates in another Member State, it shall only be disclosed in accordance with the first sentence of this subparagraph with the express agreement of the competent authorities which have disclosed it.;

	Commission Proposal	EP Mandate	Council Mandate
			"
555g		<u><i>(8d) in Article 56, the following subparagraph is added:</i></u>	
555h		" <u><i>'Article 53(1), 54 and 55 shall not preclude the exchange of information between competent authorities and taxation authorities in the same Member State.'</i></u> "	"
556	(9) Articles 65 and 66 are replaced by the following:		(9) Articles 65 and 66 are replaced by the following:
557	‘ Article 65 Administrative penalties, periodic penalty payments and other administrative measures		‘ Article 65 Administrative penalties, periodic penalty payments and other administrative measures
558	1. Without prejudice to the supervisory powers of competent authorities referred to in Article 64 and the right of Member States to provide for and impose criminal penalties, Member States shall lay down rules on administrative	‘ 1. Without prejudice to the supervisory powers of competent authorities referred to in Article 64 and the right of Member States to provide for and impose criminal penalties, Member	1. Without prejudice to the supervisory powers of competent authorities referred to in Article 64 and the right of Member States to provide for and impose criminal penalties, Member States shall lay down rules on administrative

	Commission Proposal	EP Mandate	Council Mandate
	penalties, periodic penalty payments and other administrative measures in respect of breaches of national provisions transposing this Directive and of Regulation (EU) No 575/2013, and shall take all measures necessary to ensure that they are implemented. The administrative penalties, periodic penalty payments and other administrative measures shall be effective, proportionate and dissuasive..	States shall lay down rules on administrative penalties, periodic penalty payments and other administrative measures in respect of breaches of national provisions transposing this Directive and of Regulation (EU) No 575/2013, and shall take all measures necessary to ensure that they are implemented. The administrative penalties, periodic penalty payments and other administrative measures shall be effective, proportionate and dissuasive..	penalties, periodic penalty payments and other administrative measures- in respect of breaches of national provisions transposing this Directive <del>and</del> , of Regulation (EU) No 575/2013 <b>or of decisions issued by a competent authority on the basis of those acts</b> , and shall take all measures necessary to ensure that they are implemented. The administrative penalties,- periodic penalty payments and other administrative measures shall be effective, proportionate and dissuasive.;
559	2. Member States shall ensure that where the obligations referred to in paragraph 1 apply to institutions, financial holding companies and mixed financial holding companies in the event of a breach of national provisions transposing this Directive or of Regulation (EU) No 575/2013, administrative penalties, periodic penalty payments and other administrative measures may be applied, subject to the conditions laid down in national law, to the members of the management body and to other natural persons who under national law are responsible for the breach.	2. Member States shall ensure that where the obligations referred to in paragraph 1 apply to institutions, financial holding companies and mixed financial holding companies in the event of a breach of national provisions transposing this Directive or of Regulation (EU) No 575/2013, administrative penalties, periodic penalty payments and other administrative measures may be applied, subject to the conditions laid down in national law, to the members of the management body and to other natural persons who under national law are responsible for the breach.	2. Member States shall ensure that where the obligations referred to in paragraph 1 apply to institutions, financial holding companies and mixed financial holding companies in the event of a breach of national provisions transposing this Directive <del>or</del> , of Regulation (EU) No 575/2013 <b>or of decisions issued by a competent authority based on those acts</b> , ; administrative penalties, periodic penalty payments and other administrative measures may be applied, subject to the conditions laid down in national law, to the members of the management body and to <b>any</b> other natural persons who <del>under</del> <b>are responsible for the breach in accordance with</b> national law. <b>Periodic penalty payments on natural persons may only be applied to those members of the management body in its management function that are identified as</b>

	Commission Proposal	EP Mandate	Council Mandate
			<b>being</b> <del>are</del> responsible for the breach of obligations, and the identification of such responsibility shall be conducted in accordance with national law.
560	3. The application of periodic penalty payments shall not prevent competent authorities from imposing administrative penalties for the same breach.	3. The application of periodic penalty payments shall not prevent competent authorities from imposing administrative penalties for the same breach.	3. The application of periodic penalty payments shall not prevent competent authorities from imposing administrative penalties <b>or other administrative measures</b> for the same breach.
561	4. Competent authorities shall have all information gathering and investigatory powers that are necessary for the exercise of their functions. Those powers shall include:	4. Competent authorities shall have all information gathering and investigatory powers that are necessary for the exercise of their functions. Those powers shall include:	4. Competent authorities shall have all information gathering and investigatory powers that are necessary for the exercise of their functions. Those powers shall include:
562	(a) the power to require the following natural or legal persons to provide all information that is necessary in order to carry out the tasks of the competent authorities, including information to be provided at recurring intervals and in specified formats for supervisory and related statistical purposes:	(a) the power to require the following natural or legal persons to provide all information that is necessary in order to carry out the tasks of the competent authorities, including information to be provided at recurring intervals and in specified formats for supervisory and related statistical purposes:	(a) the power to require the following natural or legal persons to provide all information that is necessary in order to carry out the tasks of the competent authorities, including information to be provided at recurring intervals and in specified formats for supervisory and related statistical purposes:
563	(i) institutions established in the Member State concerned;	(i) institutions established in the Member State concerned;	(i) institutions established in the Member State concerned;

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
564	(ii) financial holding companies established in the Member State concerned;	(ii) financial holding companies established in the Member State concerned;	(ii) financial holding companies established in the Member State concerned;
565	(iii) mixed financial holding companies established in the Member State concerned;	(iii) mixed financial holding companies established in the Member State concerned;	(iii) mixed financial holding companies established in the Member State concerned;
566	(iv) mixed-activity holding companies established in the Member State concerned;	(iv) mixed-activity holding companies established in the Member State concerned;	(iv) mixed-activity holding companies established in the Member State concerned;
567	(v) persons belonging to the entities referred to in points (i) to (iv);	(v) persons belonging to the entities referred to in points (i) to (iv);	(v) persons belonging to the entities referred to in points (i) to (iv);
568	(vi) parties to whom the entities referred to in points (i) to (iv) have outsourced operational functions or activities;	(vi) parties to whom the entities referred to in points (i) to (iv) have outsourced operational functions or activities;	(vi) parties to whom the entities referred to in points (i) to (iv) have outsourced operational functions or activities;
569	(b) the power to conduct all necessary investigations of any person referred to in points (a)(i) to (vi) established or located in the Member State concerned where necessary to carry out the tasks of the competent authorities, including the power to:	(b) the power to conduct all necessary investigations of any person referred to in points (a)(i) to (vi) established or located in the Member State concerned where necessary to carry out the tasks of the competent authorities, including the power to:	(b) the power to conduct all necessary investigations of any person referred to in points (a)(i) to (vi) established or located in the Member State concerned where necessary to carry out the tasks of the competent authorities, including the power to:

	Commission Proposal	EP Mandate	Council Mandate
570	(i) require the submission of documents;	(i) require the submission of documents;	(i) require the submission of documents;
571	(ii) examine the books and records of the persons referred to in points (a)(i) to (vi) and take copies or extracts from such books and records;	(ii) examine the books and records of the persons referred to in points (a)(i) to (vi) and take copies or extracts from such books and records;	(ii) examine the books and records of the persons referred to in points (a)(i) to (vi) and take copies or extracts from such books and records;
572	(iii) obtain written or oral explanations from any person referred to in points (a)(i) to (vi) or their representatives or staff;	(iii) obtain written or oral explanations from any person referred to in points (a)(i) to (vi) or their representatives or staff;	(iii) obtain written or oral explanations from any person referred to in points (a)(i) to (vi) or their representatives or staff;
573	(iv) interview any other person who consents to be interviewed for the purpose of collecting information relating to the subject matter of an investigation; and	(iv) interview any other person who consents to be interviewed for the purpose of collecting information relating to the subject matter of an investigation; and	(iv) interview any other person who consents to be interviewed for the purpose of collecting information relating to the subject matter of an investigation; and
574	(v) the power, subject to other conditions set out in Union law, to conduct all necessary inspections at the business premises of the legal persons referred to in points (a)(i) to (vi) and any other undertaking included in consolidated supervision where a competent authority is the consolidating supervisor, subject to the prior notification of the competent authorities	(v) the power, subject to other conditions set out in Union law, to conduct all necessary inspections at the business premises of the legal persons referred to in points (a)(i) to (vi) and any other undertaking included in consolidated supervision where a competent authority is the consolidating supervisor, subject to the prior notification of the competent authorities	(v) <del>the power</del> <b>conduct</b> , subject to other conditions set out in Union law, <del>to conduct</del> all necessary inspections at the business premises of the legal persons referred to in points (a)(i) to (vi) and any other undertaking included in consolidated supervision where a competent authority is the consolidating supervisor, subject to the prior notification of the

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	concerned. If an inspection requires authorisation by a judicial authority under national law, such authorisation shall be applied for.';	concerned. If an inspection requires authorisation by a judicial authority under national law, such authorisation shall be applied for.';	competent authorities concerned. If an inspection requires authorisation by a judicial authority under national law, such authorisation shall be applied for.';
575	5. By way of derogation from paragraph 1, where the legal system of the Member State does not provide for administrative penalties, this Article may be applied in such a manner that the penalty is initiated by the competent authority and imposed by judicial authorities, while ensuring that those legal remedies are effective and have an equivalent effect to the administrative penalties imposed by competent authorities. In any event, the penalties imposed shall be effective, proportionate and dissuasive. Those Member States shall notify to the Commission the provisions of their laws which they adopt pursuant to this paragraph by [OP please insert date = date of transposition of this amending Directive] and, without delay, any subsequent amendment law or amendment affecting them.	5. By way of derogation from paragraph 1, where the legal system of the Member State does not provide for administrative penalties, this Article may be applied in such a manner that the penalty is initiated by the competent authority and imposed by judicial authorities, while ensuring that those legal remedies are effective and have an equivalent effect to the administrative penalties imposed by competent authorities. In any event, the penalties imposed shall be effective, proportionate and dissuasive. Those Member States shall notify to the Commission the provisions of their laws which they adopt pursuant to this paragraph by [OP please insert date = date of transposition of this amending Directive] and, without delay, any subsequent amendment law or amendment affecting them.	5. By way of derogation from paragraph 1, where the legal system of the Member State does not provide for administrative penalties, this Article may be applied in such a manner that the penalty is initiated by the competent authority and imposed by judicial authorities, while ensuring that those legal remedies are effective and have an equivalent effect to the administrative penalties imposed by competent authorities. In any event, the penalties imposed shall be effective, proportionate and dissuasive. Those Member States shall notify to the Commission the provisions of their laws which they adopt pursuant to this paragraph by [OP please insert date = date of transposition of this amending Directive] and, without delay, any subsequent amendment law or amendment affecting them.
576	Article 66 Administrative penalties, periodic penalty payments and other administrative measures for breaches of authorisation and requirements for acquisitions or divestiture of qualifying holdings, material transfers of assets and	Article 66 Administrative penalties, periodic penalty payments and other administrative measures for breaches of authorisation and requirements for acquisitions or divestiture of <del>qualifying</del> <u>material</u> holdings, material transfers of assets	Article 66 Administrative penalties, periodic penalty payments and other administrative measures for breaches of authorisation and requirements for acquisitions or divestiture of <del>qualifying</del> <b>material</b> holdings, material transfers of assets

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	liabilities, mergers or divisions	and liabilities, mergers or divisions	and liabilities, mergers or divisions
577	1. Member States shall ensure that their laws, regulations and administrative provisions provide for administrative penalties, periodic penalty payments and other administrative measures at least where:	1. Member States shall ensure that their laws, regulations and administrative provisions provide for administrative penalties, periodic penalty payments and other administrative measures at least where:	1. Member States shall ensure that their laws, regulations and administrative provisions provide for administrative penalties,- periodic penalty payments and other administrative measures- at least where:
578	(a) the business of taking deposits or other repayable funds from the public is conducted without being authorised as a credit institution in breach of Article 9;	(a) the business of taking deposits or other repayable funds from the public is conducted without being authorised as a credit institution in breach of Article 9;	(a) the business of taking deposits or other repayable funds from the public is conducted without being authorised as a credit institution in breach of Article 9;
578a			<b>(aa) at least one of the activities referred to in point (1)(b) of Article 4(1) of Regulation (EU) No 575/2013 and meeting the threshold indicated in that Article is carried out without being authorised as a credit institution;</b>
579	(b) activities as a credit institution are commenced without obtaining prior authorisation in breach of Article 9;	(b) activities as a credit institution are commenced without obtaining prior authorisation in breach of Article 9;	(b) activities as a credit institution are commenced without obtaining prior authorisation in breach of Article 98 ;
580	(c) a qualifying holding in a credit institution	(c) a qualifying holding in a credit institution	(c) a qualifying holding in a credit institution



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	is acquired, directly or indirectly, or further increased, directly or indirectly, such that the proportion of the voting rights or of the capital held would reach or exceed the thresholds referred to in Article 22(1) or the credit institution would become the subsidiary of the acquirer, without notifying in writing the competent authorities of the credit institution in relation to which the acquirer seeks to acquire or increase the qualifying holding, during the assessment period, or against the opposition of the competent authorities, in breach of that Article;	is acquired, directly or indirectly, or further increased, directly or indirectly, such that the proportion of the voting rights or of the capital held would reach or exceed the thresholds referred to in Article 22(1) or the credit institution would become the subsidiary of the acquirer, without notifying in writing the competent authorities of the credit institution in relation to which the acquirer seeks to acquire or increase the qualifying holding, during the assessment period, or against the opposition of the competent authorities, in breach of that Article;	is acquired, directly or indirectly, or further increased, directly or indirectly, such that the proportion of the voting rights or of the capital held would reach or exceed the thresholds referred to in Article 22(1) or the credit institution would become the subsidiary of the acquirer, without notifying in writing the competent authorities of the credit institution in relation to which the acquirer seeks to acquire or increase the qualifying holding, during the assessment period, or against the opposition of the competent authorities, in breach of that Article;
581	(d) a qualifying holding in a credit institution is disposed of, directly or indirectly or reduced as a result of which the proportion of the voting rights or of the capital held would fall below the thresholds referred to in Article 25 or the credit institution would cease to be a subsidiary of the acquirer, without notifying in writing the competent authorities in breach of that Article ;	(d) a qualifying holding in a credit institution is disposed of, directly or indirectly or reduced as a result of which the proportion of the voting rights or of the capital held would fall below the thresholds referred to in Article 25 or the credit institution would cease to be a subsidiary of the acquirer, without notifying in writing the competent authorities in breach of that Article ;	(d) a qualifying holding in a credit institution is disposed of, directly or indirectly, or reduced as a result of which the proportion of the voting rights or of the capital held would fall below the thresholds referred to in Article 25 or the credit institution would cease to be a subsidiary of the acquirer <b>person disposing of the qualifying holding</b> , without notifying in writing the competent authorities in breach of that Article ;
582	(e) a financial holding company or mixed financial holding company as defined in article 21a(1) fail to apply for approval in breach of Article 21a or breaches any other requirement set out in that Article;	(e) a financial holding company or mixed financial holding company as defined in article 21a(1) fail to apply for approval in breach of Article 21a or breaches any other requirement set out in that Article;	(e) a financial holding company or mixed financial holding company as defined in Article 21a(1) <del>fail</del> <b>fails</b> to apply for approval in breach of Article 21a or breaches any other requirement set out in that Article;

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583	(f) an acquirer as defined in Article 27a(1) acquires directly or indirectly, a qualifying holding in an institution, or increases an already held qualifying holding, such that the proportion of voting rights or capital held by the acquirer in the institution would exceed 15% of the institution's eligible capital without the acquirer's notifying the competent authorities in breach of that Article;	(f) an acquirer as defined in Article 27a(1) acquires directly or indirectly, a <del>qualifying material</del> holding <del>in an institution</del> , or increases an already held <del>qualifying material</del> holding, such that the <del>proportion of voting rights or capital held</del> holding by the acquirer in the institution would exceed 15% of the <del>institution acquirer's</del> eligible capital without the acquirer's notifying the competent authorities in breach of that Article;	(f) an acquirer as defined in Article 27a(1) <del>acquires directly or indirectly, a qualifying holding in an institution, or increases an already held qualifying holding, such that the proportion of voting rights or capital held by the acquirer in the institution would exceed 15% of the institution's eligible capital without the acquirer's notifying the competent authorities</del> <b>fails to notify the relevant competent authority of a direct or indirect acquisition of a material holding</b> in breach of that Article;
584	(g) any of the parties referred to in Article 27d of this Directive disposes directly or indirectly of a qualifying holding that exceeds the threshold referred to in Article 89 of Regulation (EU) 575/2013 without notifying the competent authorities in breach of Article 27d of this Directive;	(g) any of the parties referred to in Article 27d of this Directive disposes directly or indirectly of a <del>qualifying material</del> holding that exceeds the threshold referred to in Article <del>89 of Regulation (EU) 575/2013</del> <b>27d of this Directive</b> without notifying the competent authorities in breach of <del>Article 27d of this Directive</del> <b>that Article</b> ;	(g) any of the parties referred to in Article 27d of this Directive <del>disposes directly or indirectly of a qualifying holding that exceeds the threshold referred to in Article 89 of Regulation (EU) 575/2013 without notifying the competent authorities</del> <b>fails to notify the relevant competent authority of a direct or indirect disposal of a material holding in a financial sector entity that exceeds the threshold</b> in breach of <del>Article 27d of this Directive</del> <b>that Article</b> ;
585	(h) any of the parties referred to in Article 27f(1) executes a material transfer of assets and	(h) any of the parties referred to in Article 27f(1) executes a material transfer of assets and	(h) any of the parties referred to in Article 27f(1) executes a material transfer of assets and

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	liabilities without notifying the competent authorities in breach of that Article;	liabilities without notifying the competent authorities in breach of that Article;	liabilities without notifying the competent authorities in breach of that Article;
586	(i) any of the parties referred to in Article 27k(l) engages in a process of merger or division in breach of that Article.	(i) any of the parties referred to in Article 27k(l) engages in a process of merger or division in breach of that Article.	(i) any of the parties referred to in Article 27k(l) engages in a process of merger or division in breach of that Article.
587	2. Member States shall ensure that in the cases referred to in paragraph 1, the measures that can be applied include the following:	2. Member States shall ensure that in the cases referred to in paragraph 1, the measures that can be applied include the following:	2. Member States shall ensure that in the cases referred to in paragraph 1, the measures that can be applied include <b>at least</b> the following:
588	(a) administrative penalties:	(a) administrative penalties:	(a) administrative penalties:
589	(i) in the case of a legal person, administrative pecuniary penalties of up to 10 % of the total annual net turnover of the undertaking;	(i) in the case of a legal person, administrative pecuniary penalties of up to 10 % of the total annual net turnover of the undertaking;	(i) in the case of a legal person, administrative pecuniary penalties of up to 10 % of the- total annual net turnover of the undertaking <b>as defined in paragraph 3 of this Article;</b> ;
590	(ii) in the case of a natural person, administrative pecuniary penalties of up to EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 17 July 2013;	(ii) in the case of a natural person, administrative pecuniary penalties of up to EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 17 July 2013;	(ii) in the case of a natural person, administrative pecuniary penalties of up to EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 17 July 2013;

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591	(iii) administrative pecuniary penalties of up to twice the profits gained or losses avoided because of the breach where those can be determined;	(iii) administrative pecuniary penalties of up to twice the profits gained or losses avoided because of the breach where those can be determined;	(iii) administrative pecuniary penalties of up to twice the profits gained or losses avoided because of the breach where those can be determined;
592	(b) periodic penalty payments:	(b) periodic penalty payments:	(b) periodic penalty payments:
593	(i) in the case of a legal person, periodic penalty payments of up to 5 % of the average daily turnover which, in the case of an ongoing breach, the legal person shall be obliged to pay per day of infringement until compliance with an obligation is restored, and which may be imposed for a period of up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment;	(i) in the case of a legal person, periodic penalty payments of up to 5 % of the average daily turnover which, in the case of an ongoing breach, the legal person shall be obliged to pay per day of infringement until compliance with an obligation is restored, <del>and which.</del> <u>The periodic penalty payment</u> may be imposed for a period of up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment;	(i) in the case of a legal person, periodic penalty payments of up to 5 % of the average daily <b>net</b> turnover, which, in the case of an ongoing breach, the legal person shall be obliged to pay per day of <del>infringement</del> <b>breach</b> until compliance with an obligation is restored, and which may be imposed for a period of up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment;
594	(ii) in the case of a natural person, periodic penalty payments of up to EUR 500 000 which, in the case of an ongoing breach, the natural person shall be obliged to pay per day of infringement until compliance with an obligation is restored, and which may be imposed for a period up to six months from the date stipulated in the decision requiring the	(ii) in the case of a natural person, periodic penalty payments of up to EUR 500 000 which, in the case of an ongoing breach, the natural person shall be obliged to pay per <del>day</del> <u>week</u> of infringement until compliance with an obligation is restored, and which may be imposed for a period up to six months from the date stipulated in the decision requiring the	(ii) in the case of a natural person, periodic penalty payments of up to EUR <del>500 000</del> <b>30 000</b> , or in those Member States whose currency is not the euro, the corresponding value in the national currency on [OP please insert the date = 24 months from date of entry into force of this amending Directive], which, in the case of an ongoing breach, the natural

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	termination of a breach and imposing the periodic penalty payment;	termination of a breach and imposing the periodic penalty payment;	person shall be obliged to pay per day of <del>infringement</del> <b>breach</b> , until compliance with an obligation is restored, and which may be imposed for a period up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment;
594a			<b>(iia) Member States may set a higher maximum amount for periodic penalty payments to be applied per day of breach.</b>
594b			<b>(iib) By way of derogation from Article 66(2) point (b), Member States may apply periodic penalty payments on a weekly or monthly basis. In this case, the maximum amount of periodic penalty payments to be applied for the relevant weekly or monthly period when a breach takes place shall not exceed the maximum amount of periodic penalty payments that would apply on a daily basis in accordance with Article 66(2) point (b) for the relevant period. Periodic penalty payments may be imposed on a given date and start applying at a later date.</b>
595	(c) other administrative measures:	(c) other administrative measures:	(c) other administrative measures:

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596	(i) a public statement which identifies the natural person, institution, financial holding company or mixed financial holding company, intermediate parent undertaking responsible and the nature of the breach;	(i) a public statement which identifies the natural person, institution, financial holding company or mixed financial holding company, intermediate parent undertaking responsible and the nature of the breach;	(i) a public statement which identifies the natural person, institution, financial holding company- <del>or</del> , mixed financial holding company; <b>or</b> intermediate <b>EU</b> parent undertaking responsible and the nature of the breach;
597	(ii) an order requiring the natural or legal person responsible to cease the conduct and to desist from a repetition of that conduct;		(ii) an order requiring the natural or legal person responsible to cease the conduct and to desist from a repetition of that conduct;
598	(iii) suspension of the voting rights of the shareholder or shareholders held responsible for the breaches referred to in paragraph 1;	(iii) suspension of the voting rights of the shareholder or shareholders held responsible for the breaches referred to in paragraph 1;	(iii) suspension of the voting rights of the shareholder or shareholders held responsible for the breaches referred to in paragraph 1;
599	(iv) subject to Article 65(2), a temporary or a definitive ban of a member of the institution's management body or any other natural person who is held responsible for the infringement from exercising functions in the institution.	(iv) subject to Article 65(2), a temporary <del>or a definitive</del> ban of a member of the institution's management body or any other natural person who is held responsible for the infringement from exercising functions in the institution.	(iv) subject to Article 65(2), a <del>temporary or a definitive</del> ban of a member of the institution's management body or any other natural person who is held responsible for the infringement from exercising functions in <del>the institution</del> <b>institutions</b> .
600	3. The total annual net turnover referred to in paragraph 2, points (a)(i) and (b)(i), of this Article shall be equal to the business indicator	3. The total annual net turnover referred to in paragraph 2, points (a)(i) and (b)(i), of this Article shall be equal to the business indicator	3. The- total annual net turnover referred to in paragraph 2, points (a)(i) and (b)(i); of this Article shall be <del>equal to the business indicator</del>

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	<p>set out in Article 314 of Regulation (EU) No 575/2013. For the purposes of this Article, the business indicator shall be calculated on the basis of the most recent available yearly supervisory financial information, unless the result is zero or negative. If the result is zero or negative, the basis for the calculation shall be the most recent earlier yearly supervisory financial information which produces an indicator above zero. Where the undertaking concerned is part of a group the relevant total annual net turnover shall be the total annual net turnover resulting from the consolidated account of the ultimate parent undertaking.</p>	<p>set out in Article 314 of Regulation (EU) No 575/2013. For the purposes of this Article, the business indicator shall be calculated on the basis of the most recent available yearly supervisory financial information, unless the result is zero or negative. If the result is zero or negative, the basis for the calculation shall be the most recent earlier yearly supervisory financial information which produces an indicator above zero. Where the undertaking concerned is part of a group the relevant total annual net turnover shall be the total annual net turnover resulting from the consolidated account of the ultimate parent undertaking.</p>	<p><del>set out in Article 314 of Regulation (EU) No 575/2013. For the purposes of this Article, the business indicator</del> <b>the sum of the items listed in Table 1 of this paragraph. . If the result is zero or negative, the basis for the calculation shall be calculated on the basis of the most recent available earlier yearly supervisory financial information, unless the result is zero or negative. If the result is zero or negative, the basis for the calculation which produces an indicator above zero. Where the legal person referred to in paragraph 2 is not subject to the Commission Implementing Regulation (EU) 2021/451, the relevant total annual net turnover shall be the most recent earlier yearly supervisory financial information which produces an indicator above zero <b>total annual net turnover or the corresponding type of income in accordance with the relevant accounting legislative acts. -Where the undertaking concerned is part of a group, the relevant- total annual net turnover shall be the total annual net turnover resulting from the consolidated account of the ultimate parent undertaking.</b></b></p>
600a			<p><b>Table 1</b></p> <ol style="list-style-type: none"> <li><b>1. Interest receivable and similar income</b></li> <li><b>2. Interest payable and similar charges</b></li> <li><b>3. Income from shares and other variable/fixed-yield securities</b></li> <li><b>4. Commissions/fees receivable</b></li> </ol>

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			<b>5. Commissions/fees payable</b> <b>6. Net profit or net loss on financial operations</b> <b>7. Other operating income</b> <b>8. Other operating expense</b>
600b			<b>Institutions shall include each element in the sum with its positive or negative sign.</b>
600c			<b>Institutions shall adjust these elements to reflect the following qualifications:</b>
600d			<b>(a) institutions shall calculate the relevant indicator based on the figures reported in Annex III, or where applicable in Annex IV, of the Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014;</b>
600e			<b>(b) institutions shall calculate the relevant indicator before the deduction of any provisions and operating expenses.</b>



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			<b>Institutions shall include in the operating expenses the fees paid for outsourcing services provided by third parties which are not a parent or subsidiary of the institution or a subsidiary of a parent which is also the parent of the institution. Institutions may use expenditure on the outsourcing of services provided by third parties to reduce the relevant indicator where the expenditure is incurred from an undertaking subject to rules under, or equivalent to Regulation No 575/2013 and this Directive;</b>
600f			<b>(c) institutions shall not use the following items in the calculation of the relevant indicator:</b>
600g			<b>(i) realised profits/losses from the sale of non-trading book items;</b>
600h			<b>(ii) income from extraordinary or irregular items;</b>
600i			<b>(iii) income derived from insurance.</b>
600j			

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			<b>(d) when the revaluation of trading items is part of the profit and loss statement, institutions may include revaluation. When institutions apply Article 36(2) of Directive 86/635/EEC, they shall include revaluation booked in the profit and loss account.</b>
601	4. The average daily turnover referred to in paragraph (2), point (b)(i), shall be the total annual net turnover referred to in paragraph 3 divided by 365.;	4. The average daily turnover referred to in paragraph (2), point (b)(i), shall be the total annual net turnover referred to in paragraph 3 divided by 365.;	4. The average daily <b>net</b> turnover referred to in paragraph (2), point (b)(i), shall be the- total annual net turnover referred to in paragraph 3 divided by 365.';
602	(10) Article 67 is amended as follows:	(10) Article 67 is amended as follows:	(10) Article 67 is amended as follows:
603	(a) paragraph 1 is amended as follows:	(a) paragraph 1 is amended as follows:	(a) paragraph 1 is amended as follows:
604	(i) points (d) and (e) are replaced by the following:	(i) points (d) and (e) are replaced by the following:	(i) points (d) and (e) are replaced by the following:
605	(d) an institution fails to have in place governance arrangements and gender neutral remuneration policies required by the competent authorities in accordance with	(d) an institution fails to have in place governance arrangements and gender neutral remuneration policies required by the competent authorities in accordance with	(d) an institution fails to have in place governance arrangements and gender neutral remuneration policies required by the competent authorities in accordance with

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	Article 74;	Article 74;	Article 74;
606	(e) an institution fails to report information or provides incomplete or inaccurate information regarding compliance with the obligation to meet own funds requirements set out in Article 92 of Regulation (EU) No 575/2013 to the competent authorities in breach of Article 430(1) of that Regulation;;	(e) an institution fails to report information or provides incomplete or inaccurate information regarding compliance with the obligation to meet own funds requirements set out in Article 92 of Regulation (EU) No 575/2013 to the competent authorities in breach of Article 430(1) of that Regulation;;	<i>deleted</i>
606a			<b>(ia) points (f), and (i) are deleted:</b>
607	(ii) point (j) is replaced by the following:	(ii) point (j) is replaced by the following:	(ii) point (j) is replaced by the following:
608	(j) an institution fails to maintain a net stable funding ratio in breach of Article 413 or 428b of Regulation (EU) No 575/2013 or repeatedly and persistently fails to hold liquid assets in breach of Article 412 of that Regulation;;	(j) an institution fails to maintain a net stable funding ratio in breach of Article 413 or 428b of Regulation (EU) No 575/2013 or repeatedly and persistently fails to hold liquid assets in breach of Article 412 of that Regulation;;	(j) an institution fails to maintain a net stable funding ratio in breach of Article 413 or 428b of Regulation (EU) No 575/2013 or repeatedly and persistently fails to hold liquid assets in breach of Article 412 of that Regulation;;
608a			<b>(iia) points (k) and (l) are deleted</b>

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609	(iii) the following points (r) to (ab) are added:	(iii) the following points (r) to (ab) are added:	(iii) the following points (r) to (ab) are added:
610	(r) an institution fails to meet the own fund requirements set out in Article 92(1) of Regulation (EU) No 575/2013;	(r) an institution fails to meet the own fund requirements set out in Article 92(1) of Regulation (EU) No 575/2013;	(r) an institution fails to meet the own fund requirements set out in Article 92(1) of Regulation (EU) No 575/2013;
611	(s) an institution or a natural person fails to comply with an obligation arising from a decision issued by the competent authority or an obligation arising from national provisions transposing Directive 2013/36/EU or from Regulation (EU) No 575/2013;	(s) an institution or a natural person fails to comply with an obligation arising from a decision issued by the competent authority or an obligation arising from national provisions transposing Directive 2013/36/EU or from Regulation (EU) No 575/2013;	<i>deleted</i>
612	(t) an institution that fails to comply with the remuneration requirements in accordance with Articles 92, 94 and 95 of this Directive;	(t) an institution that fails to comply with the remuneration requirements in accordance with Articles 92, 94 and 95 of this Directive;	(t) an institution that fails to comply with the remuneration requirements in accordance with Articles 92, 94 and 95 of this Directive;
613	(u) an institution acts without the prior permission of the competent authority where national provisions transposing Directive 2013/36/EU or Regulation (EU) No 575/2013 require the institution to obtain such prior permission or obtained such permission on the	(u) an institution acts without the prior permission of the competent authority where national provisions transposing Directive 2013/36/EU or Regulation (EU) No 575/2013 require the institution to obtain such prior permission or obtained such permission on the	(u) an institution acts without the prior permission of the competent authority where national provisions transposing Directive 2013/36/EU or Regulation (EU) No 575/2013 require the institution to obtain such prior permission or obtained such permission on the

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	basis of its own false statement or does not comply with the conditions under which such permission was granted;	basis of its own false statement or does not comply with the conditions under which such permission was granted;	basis of its own false statement or does not comply with the conditions under which such permission was granted;
614	(v) an institution fails to meet the requirements in relation to composition, conditions, adjustments and deductions related to own funds as set out in Part Two of Regulation (EU) No 575/2013;	(v) an institution fails to meet the requirements in relation to composition, conditions, adjustments and deductions related to own funds as set out in Part Two of Regulation (EU) No 575/2013;	(v) an institution fails to meet the requirements in relation to composition, conditions, adjustments and deductions related to own funds as set out in Part Two of Regulation (EU) No 575/2013;
615	(w) an institution fails to meet the requirements in relation to its large exposures to a client or group of connected clients set out in Part Four of Regulation (EU) No 575/2013;	(w) an institution fails to meet the requirements in relation to its large exposures to a client or group of connected clients set out in Part Four of Regulation (EU) No 575/2013;	(w) an institution fails to meet the requirements in relation to its large exposures to a client or group of connected clients set out in Part Four of Regulation (EU) No 575/2013;
616	(x) an institution fails to meet the requirements in relation to the calculation of the leverage ratio, including the application of derogations set out in Part Seven of Regulation (EU) No 575/2013;	(x) an institution fails to meet the requirements in relation to the calculation of the leverage ratio, including the application of derogations set out in Part Seven of Regulation (EU) No 575/2013;	(x) an institution fails to meet the requirements in relation to the calculation of the leverage ratio, including the application of derogations set out in Part Seven of Regulation (EU) No 575/2013;
617	(y) an institution fails to report information or provides incomplete or inaccurate information to the competent authorities in relation to the data referred to in Articles 430(1), (2) and (3) and in Articles 430a and 430b of Regulation	(y) an institution fails to report information or provides incomplete or inaccurate information to the competent authorities in relation to the data referred to in Articles 430(1), (2) and (3) and in Articles 430a and 430b of Regulation	(y) an institution fails to report information or provides incomplete or inaccurate information to the competent authorities in relation to the data referred to in Articles 430(1), (2) and (3) and in <del>Articles 430a and 430b</del> <b>Article 430a</b> of

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	(EU) No 575/2013;	(EU) No 575/2013;	Regulation (EU) No 575/2013;
618	(z) an institution fails to comply with the data collection and governance requirements set out in Part Three, Title III, Chapter 2 of Regulation (EU) No 575/2013.	(z) an institution fails to comply with the data collection and governance requirements set out in Part Three, Title III, Chapter 2 of Regulation (EU) No 575/2013.	(z) an institution fails to comply with the data collection and governance requirements set out in Part Three, Title III, Chapter 2 of Regulation (EU) No 575/2013.
619	(aa) an institution fails to meet the requirements in relation to the calculation of the risk-weighted exposure amounts or own funds requirements or fails to have in place the governance arrangements set out in Part Three, Title II to VI of Regulation (EU) No 575/2013;	(aa) an institution fails to meet the requirements in relation to the calculation of the risk-weighted exposure amounts or own funds requirements or fails to have in place the governance arrangements set out in Part Three, Title II to VI of Regulation (EU) No 575/2013;	(aa) an institution fails to meet the requirements in relation to the calculation of the risk-weighted exposure amounts or own funds requirements or fails to have in place the governance arrangements set out in Part Three, Title II to VI of Regulation (EU) No 575/2013;
620	(ab) an institution fails to meet the requirements in relation to the calculation of the liquidity coverage ratio or the net stable funding ratio as set out in Part Six, Title I and Title IV of Regulation (EU) No 575/2013 and the delegated act referred to in Article 460(1) of that Regulation.;	(ab) an institution fails to meet the requirements in relation to the calculation of the liquidity coverage ratio or the net stable funding ratio as set out in Part Six, Title I and Title IV of Regulation (EU) No 575/2013 and the delegated act referred to in Article 460(1) of that Regulation.;	(ab) an institution fails to meet the requirements in relation to the calculation of the liquidity coverage ratio or the net stable funding ratio as set out in Part Six, Title I and Title IV of Regulation (EU) No 575/2013 and the delegated act referred to in Article 460(1) of that Regulation.;
621	(b) paragraph 2 is replaced by the following:	(b) paragraph 2 is replaced by the following:	(b) paragraph 2 is replaced by the following:
622			

	Commission Proposal	EP Mandate	Council Mandate
	2. Member States shall ensure that in the cases referred to in paragraph 1, the measures that can be applied include at least the following:	2. Member States shall ensure that in the cases referred to in paragraph 1, the measures that can be applied include at least the following:	2. Member States shall ensure that in the cases referred to in paragraph 1, the measures <del>that</del> <b>that</b> can be applied include at least the following:
623	(a) administrative penalties:	(a) administrative penalties:	(a) administrative penalties:
624	(i) in the case of a legal person, administrative pecuniary penalties of up to 10 % of the total annual net turnover of the undertaking;	(i) in the case of a legal person, administrative pecuniary penalties of up to 10 % of the total annual net turnover of the undertaking;	(i) in the case of a legal person, administrative pecuniary penalties of up to 10 % of the total annual net turnover of the undertaking <b>as defined in paragraph 3 of this Article;</b>
625	(ii) in the case of a natural person, administrative pecuniary penalties of up to EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 17 July 2013;	(ii) in the case of a natural person, administrative pecuniary penalties of up to EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 17 July 2013;	(ii) in the case of a natural person, administrative pecuniary penalties of up to EUR 5 000 000, or in the Member States whose currency is not the euro, the corresponding value in the national currency on 17 July 2013;
626	(iii) administrative pecuniary penalties of up to twice the profits gained or losses avoided because of the breach where those can be determined;	(iii) administrative pecuniary penalties of up to twice the profits gained or losses avoided because of the breach where those can be determined;	(iii) administrative pecuniary penalties of up to twice the profits gained or losses avoided because of the breach where those can be determined;
627			

	Commission Proposal	EP Mandate	Council Mandate
	(b) periodic penalty payments:	(b) periodic penalty payments:	(b) periodic penalty payments:
628	(i) in the case of a legal person, periodic penalty payments of up to 5 % of the average daily turnover which, in the case of an ongoing infringement, the legal person shall be obliged to pay per day of infringement until compliance with an obligation is restored, and which may be imposed for a period of up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment. The average daily turnover referred to in this paragraph shall be the total annual net turnover divided by 365.	(i) in the case of a legal person, periodic penalty payments of up to 5 % of the average daily turnover which, in the case of an ongoing infringement, the legal person shall be obliged to pay per day of infringement until compliance with an obligation is restored, <del>and which.</del> <u>The periodic penalty payment</u> may be imposed for a period of up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment. The average daily turnover referred to in this paragraph shall be the total annual net turnover divided by 365.	(i) in the case of a legal person, periodic penalty payments of up to 5 % of the average daily <del>net</del> <b>net</b> turnover, which, in the case of an ongoing <del>infringement</del> <b>breach</b> , the legal person shall be obliged to pay per day of <del>infringement</del> <b>breach</b> until compliance with an obligation is restored, and which may be imposed for a period of up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment. <del>The average daily turnover referred to in this paragraph shall be the total annual net turnover divided by 365.</del>
629	(ii) in the case of a natural person, periodic penalty payments of up to EUR 500 000 which, in the case of an ongoing infringement, the natural person shall be obliged to pay per day of infringement until compliance with an obligation is restored, and which may be imposed for a period up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment;	(ii) in the case of a natural person, periodic penalty payments of up to EUR 500 000 which, in the case of an ongoing infringement, the natural person shall be obliged to pay per day of infringement until compliance with an obligation is restored, and which may be imposed for a period up to six months from the date stipulated in the decision requiring the termination of a breach and imposing the periodic penalty payment;	(ii) in the case of a natural person, periodic penalty payments of up to <del>EUR 500 000</del> <b>EUR 30 000</b> , or in those Member States whose currency is not the euro, the corresponding value in the national currency on [OP please insert the date = 24 months from date of entry into force of this amending Directive], which, in the case of an ongoing <del>infringement</del> <b>breach</b> , the natural person shall be obliged to pay per day of <del>infringement</del> <b>breach</b> until compliance with an obligation is restored, and which may be imposed for a period up to six months from the date stipulated in the decision requiring the



	Commission Proposal	EP Mandate	Council Mandate
			termination of a breach and imposing the periodic penalty payment;
629a			<b>(iia) Member States may set a higher maximum amount for periodic penalty payments to be applied per day of breach.</b>
629b			<b>(iib) By way of derogation from Article 67(2) point (b), Member States may apply periodic penalty payments on a weekly or monthly basis. In this case, the maximum amount of periodic penalty payments to be applied for the relevant weekly or monthly period when a breach takes place shall not exceed the maximum amount of periodic penalty payments that would apply on a daily basis in accordance with Article 67(2) point (b) for the relevant period. Periodic penalty payments may be imposed on a given date and start applying at a later date.</b>
630	(c) other administrative measures:	(c) other administrative measures:	(c) other administrative measures:
631	(i) a public statement which identifies the natural person, institution, financial holding	(i) a public statement which identifies the natural person, institution, financial holding	(i) a public statement which identifies the natural person, institution, financial holding

	Commission Proposal	EP Mandate	Council Mandate
	company or mixed financial holding company, intermediate parent undertaking responsible and the nature of the breach;	company or mixed financial holding company, intermediate parent undertaking responsible and the nature of the breach;	company or mixed financial holding company, intermediate parent undertaking responsible and the nature of the breach;
632	(ii) an order requiring the natural or legal person responsible to cease the conduct and to desist from a repetition of that conduct;	(ii) an order requiring the natural or legal person responsible to cease the conduct and to desist from a repetition of that conduct;	(ii) an order requiring the natural or legal person responsible to cease the conduct and to desist from a repetition of that conduct;
633	(iii) in the case of an institution, withdrawal of the authorisation of the institution in accordance with Article 18;	(iii) in the case of an institution, withdrawal of the authorisation of the institution in accordance with Article 18;	(iii) in the case of an institution, withdrawal of the authorisation of the institution in accordance with Article 18;
634	(iv) subject to Article 65(2), a temporary or a definitive ban of a member of the institution's management body or any other natural person who is held responsible for the infringement from exercising functions in the institution;	(iv) subject to Article 65(2), a temporary <del>or a</del> <b>definitive</b> ban of a member of the institution's management body or any other natural person who is held responsible for the infringement from exercising functions in the institution;	(iv) subject to Article 65(2), a <del>temporary or a</del> <b>definitive</b> ban of a member of the institution's management body or any other natural person who is held responsible for the <del>infringement</del> <b>breach</b> from exercising functions in <del>the</del> <b>institutions</b> .
635	(v) suspension of the voting rights of the shareholder or shareholders held responsible for the breaches referred to in paragraph 1.;	(v) suspension of the voting rights of the shareholder or shareholders held responsible for the breaches referred to in paragraph 1.;	<i>deleted</i>
636			

	Commission Proposal	EP Mandate	Council Mandate
	(c) the following paragraphs 3 and 4 are added:	(c) the following paragraphs 3 and 4 are added:	(c) the following paragraphs 3 and 4 are added:
637	<p>3. The total annual net turnover referred to in paragraph 2, points (a)(i) and (b)(i), of this Article shall be equal to the business indicator set out in Article 314 of Regulation (EU) No 575/2013. For the purpose of this Article, the business indicator shall be calculated on the basis of the most recent available yearly supervisory financial information, unless the result is zero or negative. If the result is zero or negative, the basis for the calculation shall be the most recent earlier yearly supervisory financial information, which produces an indicator above zero. Where the undertaking concerned is part of a group the relevant total annual net turnover shall be the total annual net turnover resulting from the consolidated account of the ultimate parent undertaking.</p>	<p>3. The total annual net turnover referred to in paragraph 2, points (a)(i) and (b)(i), of this Article shall be equal to the business indicator set out in Article 314 of Regulation (EU) No 575/2013. For the purpose of this Article, the business indicator shall be calculated on the basis of the most recent available yearly supervisory financial information, unless the result is zero or negative. If the result is zero or negative, the basis for the calculation shall be the most recent earlier yearly supervisory financial information, which produces an indicator above zero. Where the undertaking concerned is part of a group the relevant total annual net turnover shall be the total annual net turnover resulting from the consolidated account of the ultimate parent undertaking.</p>	<p>3. The total annual net turnover referred to in paragraph 2, points (a)(i) and- (b)(i); of this Article shall be <del>equal to the business indicator set out in Article 314 of Regulation (EU) No 575/2013. For the purpose of this Article, the business indicator shall be calculated on the basis of the most recent available yearly supervisory financial information, unless the result is zero or negative</del> <b>the sum of the items listed in Table 1 of this paragraph.</b> . If the result is zero or negative, the basis for the calculation shall be the most recent earlier yearly supervisory financial information, which produces an indicator above zero. Where the undertaking concerned is part of a group the relevant- total annual net turnover shall be the total annual net turnover resulting from the consolidated account of the ultimate parent undertaking.</p>
637a			<p><b>Table 1</b></p> <ol style="list-style-type: none"> <li><b>1. Interest receivable and similar income</b></li> <li><b>2. Interest payable and similar charges</b></li> <li><b>3. Income from shares and other variable/fixed-yield securities</b></li> <li><b>4. Commissions/fees receivable</b></li> </ol>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>5. Commissions/fees payable</b> <b>6. Net profit or net loss on financial operations</b> <b>7. Other operating income</b> <b>8. Other operating expense</b>
637b			<b>Institutions shall include each element in the sum with its positive or negative sign.</b>
637c			<b>Institutions shall adjust these elements to reflect the following qualifications:</b>
637d			<b>(a) institutions shall calculate the relevant indicator based on the figures reported in Annex III, or where applicable in Annex IV, of the Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014;</b>
637e			<b>(b) institutions shall calculate the relevant indicator before the deduction of any provisions and operating expenses.</b>

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			<b>Institutions shall include in the operating expenses the fees paid for outsourcing services provided by third parties which are not a parent or subsidiary of the institution or a subsidiary of a parent which is also the parent of the institution. Institutions may use expenditure on the outsourcing of services provided by third parties to reduce the relevant indicator where the expenditure is incurred from an undertaking subject to rules under, or equivalent to Regulation No 575/2013 and this Directive;</b>
637f			<b>(c) institutions shall not use the following items in the calculation of the relevant indicator:</b>
637g			<b>(i) realised profits/losses from the sale of non-trading book items;</b>
637h			<b>(ii) income from extraordinary or irregular items;</b>
637i			<b>(iii) income derived from insurance.</b>
637j			

	Commission Proposal	EP Mandate	Council Mandate
			<b>(d) when the revaluation of trading items is part of the profit and loss statement, institutions may include revaluation. When institutions apply Article 36(2) of Directive 86/635/EEC, they shall include revaluation booked in the profit and loss account.</b>
638	4. The average daily turnover referred to in paragraph (2), point (b)(i), shall be the total annual net turnover referred to in paragraph 3 divided by 365.	4. The average daily turnover referred to in paragraph (2), point (b)(i), shall be the total annual net turnover referred to in paragraph 3 divided by 365.	4. The average daily <b>net</b> turnover referred to in paragraph (2), point (b)(i), shall be the- total annual net turnover referred to in paragraph 3 divided by 365.
639	(11) Article 70 is replaced by the following:	(11) Article 70 is replaced by the following:	(11) Article 70 is replaced by the following:
640	Article 70 Effective application of administrative penalties and exercise of powers to impose penalties by competent authorities	Article 70 Effective application of administrative penalties and exercise of powers to impose penalties by competent authorities	Article 70 Effective application of administrative penalties <b>or other administrative measures</b> and exercise of powers to impose penalties by competent authorities
641	1. Member States shall ensure that, when determining the type and level of administrative penalties or other administrative measures, the competent authorities shall take	1. Member States shall ensure that, when determining the type and level of administrative penalties or other administrative measures, the competent authorities shall take	Member States shall ensure that, when determining the type and level of administrative penalties or other administrative measures, the competent authorities shall take

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	into account all relevant circumstances, including where appropriate:	into account all relevant circumstances, including where appropriate:	into account all relevant circumstances, including where appropriate:
642	(a) the gravity and the duration of the breach;	(a) the gravity and the duration of the breach;	(a) the gravity and the duration of the breach;
643	(b) the degree of responsibility of the natural or legal person responsible for the breach;	(b) the degree of responsibility of the natural or legal person responsible for the breach;	(b) the degree of responsibility of the natural or legal person responsible for the breach;
644	(c) the financial strength of the natural or legal person responsible for the breach, as indicated, including by the total turnover of a legal person or the annual income of a natural person;	(c) the financial strength of the natural or legal person responsible for the breach, as indicated, including by the total turnover of a legal person or the annual income of a natural person;	(c) the financial strength of the natural or legal person responsible for the breach, as indicated, including by the total turnover of a legal person or the annual income of a natural person;
645	(d) the importance of profits gained or losses avoided by the natural or legal person responsible for the breach, insofar as they can be determined;	(d) the importance of profits gained or losses avoided by the natural or legal person responsible for the breach, insofar as they can be determined;	(d) the importance of profits gained or losses avoided by the natural or legal person responsible for the breach, insofar as they can be determined;
646	(e) the losses for third parties caused by the breach, insofar as they can be determined;	(e) the losses for third parties caused by the breach, insofar as they can be determined;	(e) the losses for third parties caused by the breach, insofar as they can be determined;
647	(f) the level of cooperation of the natural or legal person responsible for the breach with the	(f) the level of cooperation of the natural or legal person responsible for the breach with the	(f) the level of cooperation of the natural or legal person responsible for the breach with the

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	competent authority;	competent authority;	competent authority;
648	(g) previous breaches by the natural or legal person responsible for the breach;	(g) previous breaches by the natural or legal person responsible for the breach;	(g) previous breaches by the natural or legal person responsible for the breach;
649	(h) any potential systemic consequences of the breach.	(h) any potential systemic consequences of the breach.	(h) any potential systemic consequences of the breach.
650	(i) previous application of criminal penalties to the same natural or legal person responsible for the same breach.	(i) previous application of criminal penalties to the same natural or legal person responsible for the same breach.	(i) previous application of criminal penalties to the same natural or legal person responsible for the same breach.
651	2. In the exercise of their powers to impose penalties, competent authorities shall cooperate closely to ensure that penalties produce the results pursued by this Directive. They shall also coordinate their actions to prevent accumulation and overlap when applying penalties and administrative measures to cross-border cases. Competent authorities shall cooperate closely with judicial authorities when dealing with same cases.	2. In the exercise of their powers to impose penalties, competent authorities shall cooperate closely to ensure that penalties produce the results pursued by this Directive. They shall also coordinate their actions to prevent accumulation and overlap when applying penalties and administrative measures to cross-border cases. Competent authorities shall cooperate closely with judicial authorities when dealing with same cases.	<i>deleted</i>
652	3. Competent authorities may apply penalties	3. Competent authorities may apply penalties	



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	<p>in relation to the same natural or legal person responsible for the same acts or omissions in the case of an accumulation of administrative and criminal proceedings and penalties is punishing the same breach. However, such accumulation of proceedings and penalties shall be strictly necessary and proportionate to pursue different and complementary objectives of general interest. The severity of all the penalties and other administrative measures imposed in case of accumulation of administrative and criminal proceedings shall be limited to what is necessary in the view of the seriousness of the breach concerned. Member States shall lay down clear and precise rules regarding the circumstances in which acts or and omissions may be subject to such accumulation of administrative and criminal proceedings and penalties.</p>	<p>in relation to the same natural or legal person responsible for the same acts or omissions in the case of an accumulation of administrative and criminal proceedings and penalties is punishing the same breach. However, such accumulation of proceedings and penalties shall be strictly necessary and proportionate to pursue different and complementary objectives of general interest. The severity of all the penalties and other administrative measures imposed in case of accumulation of administrative and criminal proceedings shall be limited to what is necessary in the view of the seriousness of the breach concerned. Member States shall lay down clear and precise rules regarding the circumstances in which acts or and omissions may be subject to such accumulation of administrative and criminal proceedings and penalties.</p>	<i>deleted</i>
653	<p>4. Member States shall lay down rules providing for full cooperation between competent authorities and judicial authorities to ensure a sufficiently close connection in substance and time between administrative and criminal proceedings.</p>	<p>4. Member States shall lay down rules providing for full cooperation between competent authorities and judicial authorities to ensure a sufficiently close connection in substance and time between administrative and criminal proceedings.</p>	<i>deleted</i>
654	<p>5. By 18 July 2029, EBA shall submit a report to the Commission on the cooperation between competent authorities and judicial authorities in</p>	<p>5. By 18 July 2029, EBA shall submit a report to the Commission on the cooperation between competent authorities and judicial authorities in</p>	<i>deleted</i>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	the context of application of administrative penalties. In addition, EBA shall assess any divergences in the application of penalties between competent authorities in this respect. In particular, EBA shall assess:	the context of application of administrative penalties. In addition, EBA shall assess any divergences in the application of penalties between competent authorities in this respect. In particular, EBA shall assess:	
655	(a) the level of cooperation between competent authorities and judicial authorities in the context of application of penalties;	(a) the level of cooperation between competent authorities and judicial authorities in the context of application of penalties;	<i>deleted</i>
656	(b) the level of cooperation between competent authorities in the context of penalties applicable to cross-border cases or in case of accumulation of administrative and criminal proceedings;	(b) the level of cooperation between competent authorities in the context of penalties applicable to cross-border cases or in case of accumulation of administrative and criminal proceedings;	<i>deleted</i>
657	(c) the application and the level of protection of ne bis in idem principle with regards to administrative and criminal penalties by Member States;	(c) the application and the level of protection of ne bis in idem principle with regards to administrative and criminal penalties by Member States;	<i>deleted</i>
658	(d) the application of the principle of proportionality when both penalties are imposed in case of accumulation of administrative and criminal proceedings;	(d) the application of the principle of proportionality when both penalties are imposed in case of accumulation of administrative and criminal proceedings;	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
659	(e) the exchange of information between competent authorities when dealing with cross border cases.;	(e) the exchange of information between competent authorities when dealing with cross border cases.;	<i>deleted</i>
660	(12) in Article 73, the first subparagraph is replaced by the following:	(12) in Article 73, the first subparagraph is replaced by the following:	(12) in Article 73, the first subparagraph is replaced by the following:
661	‘ Institutions shall have in place sound, effective and comprehensive strategies and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital that they consider adequate to cover the nature and level of the risks to which they are or might be exposed in the short, medium and long term time horizon, including environmental, social and governance risks.’;”	‘ Institutions shall have in place sound, effective and comprehensive strategies and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital that they consider adequate to cover the nature and level of the risks to which they are or might be exposed. <b><u>For environmental, social and governance risks institutions shall explicitly take into account</u></b> <del>in</del> the short, medium and long term time horizon, <del>including environmental, social and governance</del> <b><u>when assessing the possible materialisation of those</u></b> risks.’;”	‘ Institutions shall have in place sound, effective and comprehensive strategies and processes to assess and maintain on an ongoing basis the amounts, types and distribution of internal capital that they consider adequate to cover the nature and level of the risks to which they are or might be exposed. <b>For the coverage of environmental, social and governance risks institutions shall explicitly take into account the short, medium and long term</b> <del>in</del> the short, medium and long term time horizon, including environmental, social and governance risks.’;”
662	(13) in Article 74, paragraph 1 is replaced by the following:	(13) in Article 74, paragraph 1 is replaced by the following:	(13) in Article 74, paragraph 1 is replaced by the following:

	Commission Proposal	EP Mandate	Council Mandate
663	1. Institutions shall have robust governance arrangements, which include:	1. Institutions shall have robust governance arrangements, which include:	1. Institutions shall have robust governance arrangements, which include:
664	(a) a clear organisational structure with well-defined, transparent and consistent lines of responsibility;	(a) a clear organisational structure with well-defined, transparent and consistent lines of responsibility;	(a) a clear organisational structure with well-defined, transparent and consistent lines of responsibility;
665	(b) effective processes to identify, manage, monitor and report the risks they are or might be exposed to in the short, medium and long term time horizon, including environmental, social and governance risks;	(b) effective processes to identify, manage, monitor and report the risks they are or might be exposed to in the short, medium and long term time horizon, including environmental, social and governance risks;	(b) effective processes to identify, manage, monitor and report the risks they are or might be exposed to <del>in the short, medium and long term time horizon, including environmental, social and governance risks,</del> <b>including environmental, social and governance risks in the short, medium and long term;</b>
666	(c) adequate internal control mechanisms, including sound administration and accounting procedures;	(c) adequate internal control mechanisms, including sound administration and accounting procedures;	(c) adequate internal control mechanisms, including sound administration and accounting procedures;
667	(d) remuneration policies and practices that are consistent with and promote sound and effective risk management.	(d) remuneration policies and practices that are consistent with and promote sound and effective risk management, <u><i>including by taking into account the institution's risk appetite in terms of environmental, social and</i></u>	(d) remuneration policies and practices that are consistent with and promote sound and effective risk management.

	Commission Proposal	EP Mandate	Council Mandate
		<u><a href="#">governance risks</a></u> .	
668	The remuneration policies and practices referred to in the first subparagraph shall be gender neutral.;	The remuneration policies and practices referred to in the first subparagraph shall be gender neutral.;	The remuneration policies and practices referred to in <b>point 1(d)</b> <del>the first subparagraph</del> shall be gender neutral.;
669	(14) Article 76 is amended as follows:	(14) Article 76 is amended as follows:	(14) Article 76 is amended as follows:
670	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:
671	1. Member States shall ensure that the management body approves and at least every two years reviews the strategies and policies for taking up, managing, monitoring and mitigating the risks the institution is or might be exposed to, including those posed by the macroeconomic environment in which it operates in relation to the status of the business cycle, and those resulting from the current, short, medium and long-term impacts of environmental, social and governance factors.;	1. Member States shall ensure that the management body approves and at least <del>every</del> <u>two years annually</u> reviews the strategies and policies for taking up, managing, monitoring and mitigating the risks the institution is or might be exposed to, including those posed by the macroeconomic environment in which it operates in relation to the status of the business cycle, and those <del>resulting from the current, short, medium and long-term</del> <u>relating to</u> impacts of environmental, social and governance factors.;	1. Member States shall ensure that the management body approves and <del>at least every two years</del> <b>periodically</b> reviews the strategies and policies for taking up, managing, monitoring and mitigating the risks the institution is or might be exposed to, including those posed by the macroeconomic environment in which it operates in relation to the status of the business cycle, and those <del>resulting from the current, short, medium and long-term impacts of environmental, social and governance factors</del> <b>relating to environmental, social and governance factors in the short, medium and long-term.</b> ;

	Commission Proposal	EP Mandate	Council Mandate
671a		<u>By way of derogation from paragraph 1, the management body of small and non-complex institutions shall be subject to reviews every two years.</u> ;	
672	(b) in paragraph 2 the following subparagraph is added:	(b) in paragraph 2 the following <del>subparagraph</del> <u>subparagraphs are</u> added:	(b) in paragraph 2 the following subparagraph is added:
673	Member States shall ensure that the management body develops specific plans and quantifiable targets to monitor and address the risks arising in the short, medium and long-term from the misalignment of the business model and strategy of the institutions, with the relevant Union policy objectives or broader transition trends towards a sustainable economy in relation to environmental, social and governance factors.;	Member States shall ensure that the management body develops specific plans <del>and</del> , quantifiable targets <u>and processes</u> to monitor and address the risks arising <del>in</del> <u>from</u> the short, medium and long-term <del>from the misalignment of the business model and strategy of the institutions, with the relevant Union policy objectives or broader transition trends</del> <u>ESG factors, including those arising from the transition and the process of adjustment to the applicable regulatory objectives</u> towards a sustainable economy in relation to environmental, social and governance factors, <u>in particular with the objective to achieve climate neutrality by 2050 as set out in Regulation (EU) 2021/1119.</u> ;	Member States shall ensure that the management body develops <b>and monitors the implementation of</b> specific plans, <b>quantifiable targets and processes</b> and quantifiable targets to monitor and address the <b>financial</b> risks arising in the short, medium and long-term from the misalignment of the business model and strategy of the institutions, with the relevant <b>ESG factors, including those arising from the process of adjustment and transition trends towards the relevant Member States and Union policy legal and regulatory objectives in relation to environmental, social and governance factors in particular those set out in Regulation (EU) 2021/1119 ("European</b>

	Commission Proposal	EP Mandate	Council Mandate
			Climate Law"), as well as, where relevant, third country legal and regulatory objectives or broader transition trends towards a sustainable economy in relation to environmental, social and governance factors.;
673a		<u><i>The targets and measures to address the ESG risks included in the plans referred to in the first subparagraph shall take into account the latest reports and measures prescribed by the European Scientific Advisory Board on Climate Change, in particular in relation to the achievement of the climate targets of the Union. The plans shall adopt an holistic approach and cover all banks activities and clients. Where the institution discloses information on sustainability matters in accordance with Directive 2013/34/EU, the plans referred to in the first subparagraph shall be consistent with the plans referred to in Article 19a or Article 29a of that Directive. In particular, the plans referred to in the first subparagraph shall include actions with regards to the business model and strategy of the institution that are consistent across both plans.</i></u>	
673b		<u><i>Member States shall ensure a proportionate application of the first and second</i></u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u>subparagraphs for the management body of small and non-complex institutions, indicating in what areas a waiver or a simplified procedure may be applied.’;</u>	
673c		<u>(ba) in paragraph 4, the second subparagraph is replaced by the following:</u>	
673d		<u>‘The management body in its supervisory function and, where one has been established, the risk committee shall determine the nature, the amount, the format, and the frequency of the information on risk which it is to receive. In order to assist in the establishment of sound remuneration policies and practices, the risk committee shall, without prejudice to the tasks of the remuneration committee, examine whether incentives provided by the remuneration system take into consideration risk, including those resulting from impacts of environmental, social and governance factors, capital, liquidity and the likelihood and timing of earnings.’;</u>	
674	(c) paragraph 5 is replaced by the following:	(c) paragraph 5 is replaced by the following:	(c) paragraph 5 is replaced by the following:



	Commission Proposal	EP Mandate	Council Mandate
675	<p>5. Member States shall, in accordance with the proportionality requirement laid down in Article 7(2) of Commission Directive 2006/73/EC*<sup>11</sup>, ensure that institutions have internal control functions independent from the operational functions and which shall have sufficient authority, stature, resources and access to the management body.</p>	<p>5. Member States shall, in accordance with the proportionality requirement laid down in Article 7(2) of Commission Directive 2006/73/EC*<sup>11</sup>, ensure that institutions have internal control functions independent from the operational functions and which shall have sufficient authority, stature, resources and access to the management body.</p>	<p>5. Member States shall, in accordance with the proportionality requirement laid down in Article 7(2) of Commission Directive 2006/73/EC*<sup>11</sup>, ensure that institutions have internal control functions independent from the operational functions and which shall have sufficient authority, stature, resources and access to the management body.</p> <p><b>*11. Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 241, 2.9.2006, p. 26).</b></p>
676	<p>Member States shall ensure that the internal control functions ensure that all material risks are identified, measured and properly reported. They shall ensure that the internal control functions are actively involved in elaborating the institution's risk strategy and in all material risk management decisions and that the internal control functions can deliver a complete view of the whole range of risks of the institution.</p>	<p>Member States shall ensure that the internal control functions ensure that all material risks are identified, measured and properly reported. They shall ensure that the internal control functions are actively involved in elaborating the institution's risk strategy and in all material risk management decisions and that the internal control functions can deliver a complete view of the whole range of risks of the institution.</p>	<p><del>Member States shall ensure that the internal control functions ensure that all material risks are identified, measured and properly reported. They shall ensure that the internal control functions are actively involved in elaborating the institution's risk strategy and in all material risk management decisions and that the internal control functions can deliver a complete view of the whole range of risks of the institution.:</del></p>
676a			<p><b>(a) the internal control functions ensure that all material risks are properly identified, measured and reported;</b></p>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
676b			<b>(b) the internal control functions provide a comprehensive view of the whole range of risks that the institution is exposed to;</b>
676c			<b>(c) the risk management function is actively involved in elaborating the institution's risk strategy and in all its material risk management decisions and has control over the effective implementation of the risk strategy;</b>
676d			<b>(d) the internal audit function performs an independent review of the effective implementation of the institution's risk strategy.</b>
676e			<b>(e) Without prejudice to points a) to d) of this paragraph, the compliance function shall assess and mitigate compliance risk and ensure that the institution's risk strategy takes into account compliance risk and that compliance risk is adequately taken into account in all material risk management decisions.</b>

	Commission Proposal	EP Mandate	Council Mandate
677	Member States shall ensure that the internal control function can report directly to the management body in its supervisory function, independent from members of the management body in its management function or senior management, and can raise concerns and warn that body, where appropriate, where specific risk developments affect or may affect the institution, without prejudice to the responsibilities of the management body pursuant to this Directive and Regulation (EU) No 575/2013.	Member States shall ensure that the internal control function can report directly to the management body in its supervisory function, independent from members of the management body in its management function or senior management, and can raise concerns and warn that body, where appropriate, where specific risk developments affect or may affect the institution, without prejudice to the responsibilities of the management body pursuant to this Directive and Regulation (EU) No 575/2013.	<i>deleted</i>
678	The heads of internal control functions shall be independent senior managers with distinct responsibility for the risk management, compliance and internal audit functions. Where the nature, scale and complexity of the activities of the institution do not justify to appoint a specific person for each internal control functions, another senior person within the institution may combine the responsibilities for those functions, provided there is no conflict of interest.	The heads of internal control functions shall be independent senior managers with distinct responsibility for the risk management, compliance and internal audit functions. Where the nature, scale and complexity of the activities of the institution do not justify to appoint a specific person for each internal control functions, another senior person within the institution may combine the responsibilities for those functions, provided there is no conflict of interest.	<i>deleted</i>
679	The heads of the internal control functions shall not be removed without prior approval of the	The heads of the internal control functions shall not be removed without prior approval of the	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	management body in its supervisory function and shall be able to have direct access to the management body in its supervisory function where necessary.	management body in its supervisory function <del>and shall be able to have direct access to the management body in its supervisory function where necessary.</del>	
680	_____	_____	<i>deleted</i>
681	*11 Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 241, 2.9.2006, p. 26).;	*11 Commission Directive 2006/73/EC of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (OJ L 241, 2.9.2006, p. 26).;	<i>deleted</i>
681a			<b>(d) The following new paragraph 5a is inserted:</b>
681b			" <b>5a. Member States shall ensure that the internal control functions:</b>
681c			

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>(a) have direct access to the management body in its supervisory function,</b>
681d			<b>(b) can report directly to the management body in its supervisory function.</b>
681e			<b>(c) The internal control functions shall exercise the functions referred to in points (a) and (b) independently from the members of the management body in its management function and from senior management, and shall in particular be able to raise concerns and warn the management body in its supervisory function where appropriate or where specific risk developments affect or may affect the institution, without prejudice to the responsibilities of the management body pursuant to this Directive and Regulation (EU) No 575/2013.</b>
681f			<b>(d) The heads of internal control functions shall be independent senior managers with distinct responsibility for the risk management, compliance and internal audit functions. Where the nature, scale and complexity of the activities of the institution do not justify appointing a specific person</b>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>for the risk management function and/or the compliance function, another senior person that performs other tasks within the institution may fulfil the responsibilities for the compliance and/or risk management functions, provided that:</b>
681g			<b>(i) there is no conflict of interest;</b>
681h			<b>(ii) the person responsible for the risk management function and the compliance function possesses the knowledge and expertise needed for the different areas concerned and</b>
681i			<b>(iii) the person responsible for the risk management function and the compliance function has the time needed to perform both control functions correctly.</b>
681j			<b>(iv) The internal audit function shall not be combined with any other business line or control function of the institution.</b>
681k			<b>(v) The heads of the internal control</b>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
			<b>functions shall not be removed without prior approval of the management body in its supervisory function.</b> "
681l			<b>(14a) Article 77 is amended as follows:</b>
681m			<b>(a) paragraph 3 is replaced by the following:</b>
681n			" <b>3. Competent authorities shall encourage institutions, taking into account their size, internal organisation and the nature, scale and complexity of their activities, to develop market risk assessment capacity and to increase the use of internal models for calculating own funds requirements for portfolio of trading book positions , together with internal models to calculate own funds requirements for default risk where their exposures to default risk are material in absolute terms and where they have a large number of material positions in traded debt or equity instruments of different issuers.</b>
681o			

	Commission Proposal	EP Mandate	Council Mandate
			<b>This Article shall be without prejudice to the fulfilment of the criteria laid down in Part Three, Title IV, Chapter 1b, Sections 1 to 3, of Regulation (EU) No 575/2013.</b> "
681p			<b>(b) the first subparagraph of paragraph 4 is replaced by the following:</b>
681q			" <b>4. EBA shall develop draft regulatory technical standards to define the concept of 'exposures to default risk which are material in absolute terms' referred to in the first subparagraph of paragraph 3 and the thresholds for large numbers of material counterparties and positions in traded debt or equity instruments of different issuers.'</b> "
681r		<u><i>(14a) in Article 77(4), the first subparagraph is replaced by the following:</i></u>	
681s		<u><i>'EBA shall develop draft regulatory technical standards to define the notion 'exposures to specific market risk which are material in</i></u>	



	Commission Proposal	EP Mandate	Council Mandate
		<u><i>absolute terms' referred to in the first subparagraph of paragraph 3 and the thresholds for large numbers of material counterparties and positions in debt instruments of different issuers.';</i></u>	
682	(15) Article 78 is amended as follows:	(15) Article 78 is amended as follows:	(15) Article 78 is amended as follows:
683	(a) the title is replaced by the following:	(a) the title is replaced by the following:	(a) the title is replaced by the following:
684	‘ Supervisory benchmarking of approaches for calculating own funds requirements; ’	‘ Supervisory benchmarking of approaches for calculating own funds requirements; ’	‘ Supervisory benchmarking of approaches for calculating own funds requirements; ’
685	(b) paragraph 1 is replaced by the following:	(b) paragraph 1 is replaced by the following:	(b) paragraph 1 is replaced by the following:
686	‘ 1. Competent authorities shall ensure all of the following: ’	‘ 1. Competent authorities shall ensure all of the following: ’	‘ 1. Competent authorities shall ensure all of the following: ’
687	(a) that institutions permitted to use internal approaches for the calculation of risk weighted	(a) that institutions permitted to use internal approaches for the calculation of risk weighted	(a) that institutions permitted to use internal approaches for the calculation of risk weighted

	Commission Proposal	EP Mandate	Council Mandate
	exposure amounts or own funds requirements report the results of their calculations for their exposures or positions that are included in the benchmark portfolios;	exposure amounts or own funds requirements report the results of their calculations for their exposures or positions that are included in the benchmark portfolios;	exposure amounts or own funds requirements report the results of their calculations for their exposures or positions that are included in the benchmark portfolios;
688	(b) that institutions using the alternative standardised approach set out in Part Three, Title IV, Chapter 1a of Regulation (EU) No 575/2013 report the results of their calculations for their exposures or positions that are included in the benchmark templates;	(b) that institutions using the alternative standardised approach set out in Part Three, Title IV, Chapter 1a of Regulation (EU) No 575/2013 report the results of their calculations for their exposures or positions that are included in the benchmark <del>templates</del> <u>portfolios</u> ;	(b) that institutions using the alternative standardised approach set out in Part Three, Title IV, Chapter 1a of Regulation (EU) No 575/2013 report the results of their calculations for their exposures or positions that are included in the benchmark <del>templates</del> <u>portfolios</u> ; <b>provided that the size of the institution's on- and off-balance-sheet business that is subject to market risk is equal to or more than EUR 500 million in accordance with Regulation (EU) No 575/2013, Article 325a(1)</b>
689	(c) that institutions permitted to use internal approaches under Part Three, Title II, Chapter 3 of Regulation (EU) No 575/2013, as well as significant institutions that apply the standardised approach under Part Three, Title II, Chapter 2 of that Regulation, report the results of the calculations of the approaches used for the purpose of determining the amount of expected credit losses for their exposures or positions that are included in the benchmark templates, where any of the following conditions is met:	(c) that institutions permitted to use internal approaches under Part Three, Title II, Chapter 3 of Regulation (EU) No 575/2013, as well as <del>significant</del> <u>relevant</u> institutions that apply the standardised approach under Part Three, Title II, Chapter 2 of that Regulation, report the results of the calculations of the approaches used for the purpose of determining the amount of expected credit losses for their exposures or positions that are included in the benchmark <del>templates</del> <u>portfolios</u> , where any of the following conditions is met:	(c) that institutions permitted to use internal approaches under Part Three, Title II, Chapter 3 of Regulation (EU) No 575/2013, as well as <del>significant</del> <u>relevant</u> institutions that apply the standardised approach under Part Three, Title II, Chapter 2 of that Regulation, report the results of the calculations of the approaches used for the purpose of determining the amount of expected credit losses for their exposures or positions that are included in the benchmark <b>portfolios</b> <del>templates</del> , where any of the following conditions is met:

	Commission Proposal	EP Mandate	Council Mandate
690	(i) institutions prepare their accounts in conformity with the international accounting standards adopted in accordance with Article 6(2) of Regulation (EC) No 1606/2002;	(i) institutions prepare their accounts in conformity with the international accounting standards adopted in accordance with Article 6(2) of Regulation (EC) No 1606/2002;	(i) institutions prepare their accounts in conformity with the international accounting standards adopted in accordance with Article 6(2) of Regulation (EC) No 1606/2002;
691	(ii) institutions perform the valuation of assets and off-balance sheet items and the determination of their own funds in conformity with the international accounting standards pursuant to Article 24(2) of Regulation (EU) No 575/2013;	(ii) institutions perform the valuation of assets and off-balance sheet items and the determination of their own funds in conformity with the international accounting standards pursuant to Article 24(2) of Regulation (EU) No 575/2013;	(ii) institutions perform the valuation of assets and off-balance sheet items and the determination of their own funds in conformity with the international accounting standards pursuant to Article 24(2) of Regulation (EU) No 575/2013;
692	(iii) institutions perform the valuation of assets and off-balance sheet items in conformity with accounting standards under Directive 86/635/EEC <sup>*12</sup> and they use an expected credit loss model that is the same as the one used in international accounting standards adopted in accordance with Article 6(2) of Regulation (EC) No 1606/2002.	(iii) institutions perform the valuation of assets and off-balance sheet items in conformity with accounting standards under Directive 86/635/EEC <sup>*12</sup> and they use an expected credit loss model that is the same as the one used in international accounting standards adopted in accordance with Article 6(2) of Regulation (EC) No 1606/2002.	(iii) institutions perform the valuation of assets and off-balance sheet items in conformity with accounting standards under Directive 86/635/EEC <sup>*12</sup> and they use an expected credit loss model that is the same as the one used in international accounting standards adopted in accordance with Article 6(2) of Regulation (EC) No 1606/2002.  <sup>*12. Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).</sup>
693			

	Commission Proposal	EP Mandate	Council Mandate
	Institutions shall submit the results of their calculations referred to in the first subparagraph together with an explanation of the methodologies used to produce them and any qualitative information, as requested by EBA, that can explain the impact of these calculations on own funds requirements, to the competent authorities at least annually, but with the possibility for EBA to conduct the exercise biennially after the exercise has run five times.	Institutions shall submit the results of their calculations referred to in the first subparagraph together with an explanation of the methodologies used to produce them and any qualitative information, as requested by EBA, that can explain the impact of these calculations on own funds requirements, to the competent authorities at least annually, <del>but with the possibility for EBA to conduct the exercise biennially after the exercise has run five times</del> <u>unless the EBA conducts the exercise biennially, while the frequency of the submission may differ in relation to the different approaches referred to in points (a), (b) and (c) of the first subparagraph.</u> ;	Institutions shall submit the results of their calculations referred to in the first subparagraph together with an explanation of the methodologies used to produce them and any qualitative information, as requested by EBA, that can explain the impact of these calculations on own funds requirements, <del>to the competent authorities.</del> <b>These results shall be submitted</b> at least annually, <del>but with the possibility for EBA to</del> <b>to the competent authorities. EBA may</b> conduct the exercise biennially <b>for each approach mentioned in paragraph 1, points (a), (b) and (c)</b> after the exercise has run five times <b>for each single approach.</b>
694	(c) paragraph 3 is amended as follows:	(c) paragraph 3 is amended as follows:	(c) paragraph 3 is amended as follows:
695	(i) the introductory wording is replaced by the following:	(i) the introductory wording is replaced by the following:	(i) the introductory wording is replaced by the following:
696	Competent authorities shall, on the basis of the information submitted by institutions in accordance with paragraph 1, monitor the range of risk weighted exposure amounts or own funds requirements, as applicable, for the	Competent authorities shall, on the basis of the information submitted by institutions in accordance with paragraph 1, monitor the range of risk weighted exposure amounts or own funds requirements, as applicable, for the	Competent authorities shall, on the basis of the information submitted by institutions in accordance with paragraph 1, monitor the range of risk weighted exposure amounts or own funds requirements, as applicable, for the

	Commission Proposal	EP Mandate	Council Mandate
	exposures or transactions in the benchmark portfolio resulting from the approaches of those institutions. Competent authorities shall make an assessment of the quality of those approaches with the frequency referred to in paragraph 1, second subparagraph, paying particular attention to;	exposures or transactions in the benchmark portfolio resulting from the approaches of those institutions. Competent authorities shall make an assessment of the quality of those approaches with the frequency referred to in paragraph 1, second subparagraph, paying particular attention to;	exposures or transactions in the benchmark portfolio resulting from the approaches of those institutions. Competent authorities shall make an assessment of the quality of those approaches with <b>at least the same</b> <del>the</del> frequency <b>as the EBA exercise</b> referred to in paragraph 1, second subparagraph, paying particular attention to;
696a			<b>(ii) point (b) is replaced by the following :</b>
696b			" <b>(b) approaches where there is particularly high or low variability , and also where there is a significant and systematic under-estimation of own funds requirements.;</b> "
697	(ii) the second subparagraph is replaced by the following:	(ii) the second subparagraph is replaced by the following:	<del>(iii)</del> (iii) the second subparagraph is replaced by the following:
698	‘ EBA shall produce a report to assist the competent authorities in the assessment of the quality of the approaches based on the	‘ EBA shall produce a report to assist the competent authorities in the assessment of the quality of the approaches based on the	‘ EBA shall produce a report to assist the competent authorities in the assessment of the quality of the approaches based on the

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	information referred to in paragraph 2.;	information referred to in paragraph 2.;	information referred to in paragraph 2.;
699	(d) in paragraph 5, the introductory sentence is replaced by the following:	(d) in paragraph 5, the introductory sentence is replaced by the following:	(d) in paragraph 5, the introductory sentence is replaced by the following:
700	‘ The competent authorities shall ensure that their decisions on the appropriateness of corrective actions as referred to in paragraph 4, comply with the principle that such actions must maintain the objectives of the approaches within the scope of this Article and therefore do not;’	‘ The competent authorities shall ensure that their decisions on the appropriateness of corrective actions as referred to in paragraph 4, comply with the principle that such actions must maintain the objectives of the approaches within the scope of this Article and therefore do not;’	‘ The competent authorities shall ensure that their decisions on the appropriateness of corrective actions as referred to in paragraph 4, comply with the principle that such actions must maintain the objectives of the approaches within the scope of this Article and therefore do not;’
701	(e) paragraph 6 is replaced by the following:	(e) paragraph 6 is replaced by the following:	(e) paragraph 6 is replaced by the following:
702	‘ 6. EBA may issue guidelines and recommendations in accordance with Article 16 of Regulation (EU) No 1093/2010 where it considers them necessary on the basis of the information and assessments referred to in paragraphs 2 and 3 of this Article in order to improve supervisory practices or practices of	‘ 6. EBA may issue guidelines and recommendations in accordance with Article 16 of Regulation (EU) No 1093/2010 where it considers them necessary on the basis of the information and assessments referred to in paragraphs 2 and 3 of this Article in order to improve supervisory practices or practices of	‘ 6. EBA may issue guidelines and recommendations in accordance with Article 16 of Regulation (EU) No 1093/2010 where it considers them necessary on the basis of the information and assessments referred to in paragraphs 2 and 3 of this Article in order to improve supervisory practices or practices of

	Commission Proposal	EP Mandate	Council Mandate
	institutions with regard to the approaches within the scope of the supervisory benchmarking.;	institutions with regard to the approaches within the scope of the supervisory benchmarking.;	institutions with regard to the approaches within the scope of the supervisory benchmarking.;
703	(f) paragraph 8 is amended as follows:	(f) paragraph 8 is amended as follows:	(f) paragraph 8 is amended as follows:
704	(i) in the first subparagraph, the following point (c) is added:	(i) in the first subparagraph, the following point (c) is added:	(i) in the first subparagraph, the following point (c) is added:
705	‘ (c) the list of significant institutions referred to in paragraph 1, point (c).;’	‘ (c) the list of <del>significant</del> <b>relevant</b> institutions referred to in paragraph 1, point (c).;’	‘ (c) the list of <del>significant</del> <b>relevant</b> institutions referred to in paragraph 1, point (c).;’
706	(ii) the following second subparagraph is inserted:	(ii) the following second subparagraph is inserted:	(ii) the following second subparagraph is inserted:
707	‘ For the purposes of point (c), when determining the list of significant institutions EBA shall take into account proportionality considerations.’;	‘ For the purposes of point (c), when determining the list of <del>significant</del> <b>relevant</b> institutions EBA shall take into account proportionality considerations.’;	‘ For the purposes of point (c), when determining the list of <del>significant</del> <b>relevant</b> institutions EBA shall take into account proportionality considerations.’;

	Commission Proposal	EP Mandate	Council Mandate
708	_____	_____	<i>deleted</i>
709	*12 Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).	*12 Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).	<i>deleted</i>
710	(16) paragraph 1 of Article 85 is amended as follows:	(16) paragraph 1 of Article 85 is amended as follows:	(16) paragraph 1 of Article 85 is amended as follows:
711	“ 1. Competent authorities shall ensure that institutions implement policies and processes to evaluate and manage the exposures to operational risk, including risks resulting from outsourcing, and to cover low-frequency high-severity events. Institutions shall articulate what constitutes operational risk for the purposes of those policies and procedures. ”	“ 1. Competent authorities shall ensure that institutions implement policies and processes to evaluate and manage the exposures to operational risk, including risks resulting from outsourcing, and to cover low-frequency high-severity events. Institutions shall articulate what constitutes operational risk for the purposes of those policies and procedures. ”	“ 1. Competent authorities shall ensure that institutions implement policies and processes to evaluate and manage the exposures to operational risk, including risks <del>resulting</del> <b>arising</b> from outsourcing <b>arrangements</b> , and to cover low-frequency high-severity events. Institutions shall articulate what constitutes operational risk for the purposes of those policies and procedures. ”
712			



	Commission Proposal	EP Mandate	Council Mandate
	(17) a new Article 87a is inserted:	(17) a new Article 87a is inserted:	(17) a new Article 87a is inserted:
713	‘ Article 87a Environmental, social and governance risks	‘ Article 87a Environmental, social and governance risks	‘ Article 87a Environmental, social and governance risks
714	1. Competent authorities shall ensure that institutions have, as part of their robust governance arrangements including risk management framework required under Article 74(1), robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of environmental, social and governance risks over an appropriate set of time horizons.	1. Competent authorities shall ensure that institutions have, as part of their robust governance arrangements including risk management framework required under Article 74(1), robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of environmental, social and governance risks over an appropriate set of time horizons.	1. Competent authorities shall ensure that institutions have, as part of their robust governance arrangements including risk management framework required under Article 74(1), robust strategies, policies, processes and systems for the identification, measurement, management and monitoring of environmental, social and governance risks over <b>the short, medium and long term</b> <del>an appropriate set of time horizons.</del>
715	2. The strategies, policies, processes and systems referred to in paragraph 1 shall be proportionate to the scale, nature and complexity of the environmental, social and governance risks of the business model and scope of the institution’s activities, and consider short, medium and a long-term horizon of at least 10 years.	2. The strategies, policies, processes and systems referred to in paragraph 1 shall be proportionate to the scale, nature and complexity of the environmental, social and governance risks of the business model and scope of the institution’s activities, and consider short, medium and a long-term horizon of at least 10 years.	2. The strategies, policies, processes and systems referred to in paragraph 1 shall be proportionate to the scale, nature and complexity of the environmental, social and governance risks <del>of</del> <b>to</b> the business model and scope of the institution’s activities, and consider <b>the short, medium and a long-term horizon of at least 10 years long-term.</b>
716			

	Commission Proposal	EP Mandate	Council Mandate
	<p>3. Competent authorities shall ensure that institutions test their resilience to long-term negative impacts of environmental, social and governance factors, both under baseline and adverse scenarios within a given timeframe, starting with climate-related factors. For the testing, competent authorities shall ensure that institutions include a number of environmental, and social and governance scenarios reflecting potential impacts of environmental and social changes and associated public policies on the long-term business environment.</p>	<p>3. Competent authorities shall ensure that institutions test their resilience to long-term negative impacts of environmental, social and governance factors, both under baseline and adverse scenarios within a given timeframe, starting with climate-related factors. For the testing, competent authorities shall ensure that institutions include a number of environmental, and social and governance scenarios reflecting potential impacts of environmental and social changes and associated public policies on the long-term business environment. <u>Competent authorities shall ensure that for the testing, institutions use credible scenarios, based on the scenarios elaborated by international organisations.</u></p>	<p>3. Competent authorities shall ensure that institutions test their resilience to long-term negative impacts of environmental, social and governance <del>factors</del><b>risks</b> , both under baseline and adverse scenarios within a given timeframe, starting with <del>climate-related factors</del><b>environmental risks</b> . For the testing, competent authorities shall ensure that institutions include a number of environmental, and social and governance scenarios reflecting potential impacts of environmental and social changes and associated public policies on the long-term business environment.</p>
717	<p>4. Competent authorities shall assess and monitor developments of institutions' practices concerning their environmental, social and governance strategy and risk management, including the plans to be prepared in accordance with Article 76, as well as the progress made and the risks to adapt their business models to the relevant policy objectives of the Union or broader transition trends towards a sustainable economy, taking into account sustainability related product offering, transition finance policies, related loan origination policies, and environmental, social and governance related targets and limits.</p>	<p>4. Competent authorities shall assess and monitor developments of institutions' practices concerning their environmental, social and governance strategy and risk management, including the plans to be prepared in accordance with Article 76, as well as the progress made and the risks to adapt their business models to the relevant <del>policy objectives of the Union or broader transition trends</del><b>applicable regulatory objectives</b> towards a sustainable economy, taking into account <del>sustainability related product offering, transition finance policies,</del> related loan origination policies, and environmental, social and governance related targets and limits.</p>	<p>4. Competent authorities shall assess and monitor developments of institutions' practices concerning their environmental, social and governance strategy and risk management, including the plans <del>to be prepared in accordance with Article 76, as well as the progress made and the risks to adapt their business models to the relevant policy objectives of the Union or broader transition trends</del> towards a sustainable economy, taking <b>quantifiable targets and processes to monitor and address the ESG risks arising in the short, medium and long-term, to be prepared in accordance with Article 76(2). This assessment shall take into account the</b></p>

	Commission Proposal	EP Mandate	Council Mandate
		<u>Competent authorities shall verify the robustness of those plans as part of the supervisory review and evaluation process.</u>	<b>institutions'</b> sustainability related product offering, <b>their</b> transition finance policies, related loan origination policies, and environmental, social and governance related targets and limits.
717a		<u>Where relevant, for the assessment referred to in the first subparagraph, Competent authorities may cooperate with authorities or public bodies in charge of climate change and environmental supervision.</u>	
718	5. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify:	5. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify:	5. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify:
719	(a) minimum standards and reference methodologies for the identification, measurement, management and monitoring of environmental, social and governance risks;	(a) minimum standards and reference methodologies for the identification, measurement, management and monitoring of environmental, social and governance risks;	(a) minimum standards and reference methodologies for the identification, measurement, management and monitoring of environmental, social and governance risks;
720	(b) the content of plans to be prepared in accordance with Article 76, which shall include specific timelines and intermediate quantifiable targets and milestones, in order to address the risks from misalignment of the business model	(b) the content of plans to be prepared in accordance with Article <del>76</del> <b>76(2)</b> , which shall include specific timelines and intermediate quantifiable targets and milestones, in order to <u>monitor and</u> address the <u>financial</u> risks	(b) the content of plans to be prepared in accordance with Article <del>76</del> <b>76(2)</b> , which shall include specific timelines and intermediate quantifiable targets and milestones, in order to <b>monitor and</b> address the <b>financial</b> risks

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	and strategy of institutions with the relevant policy objectives of the Union, or broader transition trends towards a sustainable economy in relation to environmental, social and governance factors;	<i><u>stemming from ESG factors, including those arising from the transition and the process of adjustment to the applicable regulatory objectives</u></i> <del>from misalignment of the business model and strategy of institutions with the relevant policy objectives of the Union, or broader transition trends</del> towards a sustainable economy, <i><u>in particular the objective to achieve climate neutrality by 2050 as set out in Regulation (EU) 2021/1119</u></i> <del>in relation to environmental, social and governance factors</del> ;	<b>stemming from ESG factors, including those arising from the process of adjustment and transition trends towards the relevant Member States and Union legal and regulatory objectives</b> <del>from misalignment of the business model and strategy of institutions with the relevant policy objectives of the Union, or broader transition trends towards a sustainable economy in relation to environmental, social and governance factors,</del> <b>,as well as, where relevant for internationally active institutions, third country objectives that are at least as ambitious as those under Union law;</b>
721	(c) qualitative and quantitative criteria for the assessment of the impact of environmental, social and governance risks on the financial stability of institutions in the short, medium and long term;	(c) qualitative and quantitative criteria for the assessment of the impact of environmental, social and governance risks on the financial stability of institutions in the short, medium and long term;	(c) qualitative and quantitative criteria for the assessment of the impact of environmental, social and governance risks on the <del>financial</del> <b>stability-risk profile and solvency</b> of institutions in the short, medium and long term;
722	(d) criteria for setting the scenarios and methods referred to in paragraph 3, including the parameters and assumptions to be used in each of the scenarios and specific risks.	(d) criteria for setting the scenarios and methods referred to in paragraph 3, including the parameters and assumptions to be used in each of the scenarios and specific risks.	(d) criteria for setting the scenarios <del>and methods</del> referred to in paragraph 3, including the parameters and assumptions to be used in each of the scenarios, <b>specific risks and time horizons</b> ; <del>and specific risks.</del>
722a		<i><u>Where relevant, the targets, methodologies</u></i>	

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		<u><i>and the content of the plans, including targets criteria and commitments included in the plans, referred to in Directive 2013/34/EU shall be consistent with the criteria, methodologies and the targets as mentioned in (a), (b), (c) and (d) of this paragraph and shall be consistent with assumptions and commitments included in the plans.</i></u>	
723	EBA shall publish those guidelines by [OP please insert the date = 18 months from date of entry into force of this amending Directive]. EBA shall update those guidelines on a regular basis, to reflect the progress made in measuring and managing environmental, social and governance factors as well as the developments of policy objectives of the Union on sustainability.;	EBA shall publish <del>those</del> <i>the</i> guidelines <u><i>referred to in point (b) of the first subparagraph by [OP please insert the date = 12 months from the date of entry into force of this amending Directive], the guidelines referred to in point (d) of the first subparagraph</i></u> by [OP please insert the date = 18 months from <u><i>the date of entry into force of this amending Directive</i></u> <u><i>and the the guidelines referred to in points (a) and (c) of the first subparagraph by [OP please insert the date = 24 months from the</i></u> date of entry into force of this amending Directive]. EBA shall update those guidelines on a regular basis, to reflect the progress made in measuring and managing environmental, social and governance factors as well as the developments of policy objectives of the Union on sustainability.?’;	EBA shall publish those guidelines by [OP please insert the date = <del>18</del> <b>12</b> months from date of entry into force of this amending Directive]. EBA shall update those guidelines on a regular basis, to reflect the progress made in measuring and managing environmental, social and governance factors as well as the developments of policy objectives of the Union on sustainability.?’;
723a			<b>6. Until [OP please insert the date = 24</b>

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			months from date of entry into force of this amending Directive], competent authorities may waive the requirement that the plans referred to in paragraph 4 include quantitative criteria.
724	(18) Article 88 is amended as follows:	(18) Article 88 is amended as follows:	(18) Article 88 is amended as follows:
725	(a) in paragraph 1, point (e) is replaced by the following:	(a) in paragraph 1, point (e) is replaced by the following:	(a) in paragraph 1, point (e) is replaced by the following:
726	‘ (e) the chairman of the management body in its supervisory function of an institution may not exercise simultaneously the functions of a chief executive officer within the same institution.;’	‘ (e) the chairman of the management body in its supervisory function of an institution may not exercise simultaneously the functions of a chief executive officer within the same institution.;’	‘ (e) the chairman of the management body in its supervisory function of an institution may not exercise simultaneously the functions of a chief executive officer within the same institution.;’
727	(b) in Article 88, the following paragraph 3 is added:	(b) in Article 88, the following paragraph 3 is added:	(b) in Article 88, the following paragraph 3 is added:
728	‘ 3. Member States shall ensure that institutions	‘ 3. Member States shall ensure that institutions	‘ 3. <b>Without prejudice to the overall</b>

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	draw up, maintain and update individual statements setting out the roles and duties of each member of the management body, senior management and key function holders and a mapping of duties, including details of the reporting lines and the lines of responsibility, and the persons who are part of the governance arrangements as referred to in Article 74 (1) and their duties approved by the management body.	draw up, maintain and update individual statements setting out the roles and duties of each member of the management body, senior management and key function holders and a mapping of duties, including details of the reporting lines and the lines of responsibility, and the persons who are part of the governance arrangements as referred to in Article 74 (1) and their duties approved by the management body.	<b>responsibility of the management body as a collegial body</b> , Member States shall ensure that institutions draw up, maintain and update individual statements setting out the roles and duties of <del>each member</del> <b>all members</b> of the management body; <b>in its management function</b> senior management and key function holders and a mapping of duties, including details of the reporting lines and the lines of responsibility, and the persons who are part of the governance arrangements as referred to in Article 74 (1) and their duties approved by the management body.
729	Member States shall ensure that the statements of duties and the mapping of the duties are made available and communicated in due time, upon request, to the competent authorities.	Member States shall ensure that the statements of duties and the mapping of the duties are made available and communicated in due time, upon request, to the competent authorities.	Member States shall ensure that the statements of duties and the mapping of the duties are made available <b>at all time</b> and communicated <b>including to obtain authorisation as referred in Article 8</b> , in due time, upon request, to the competent authorities.’
730	EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, ensuring the implementation of this paragraph and its consistent application. EBA shall issue those guidelines by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	<i>deleted</i>	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
731	(19) Article 91 is replaced by the following:	(19) Article 91 is replaced by the following:	(19) Article 91 is replaced by the following: <del>amended as follows:</del>
732	Article 91 Suitability criteria for members of the management body of the entities	Article 91 Suitability criteria for members of the management body of the entities	<del>Article 91</del> <del>Suitability criteria for members of the management body of the entities</del> <b>(a) paragraph 1 is replaced by the following:</b>
733	1. Institutions and financial holding companies and mixed financial holding companies, as approved pursuant to Article 21a(1), ("the entities"), shall have the primary responsibility for ensuring that members of the management body are at all times of good repute and possess sufficient knowledge, skills and experience to perform their duties and fulfil the requirements set out in paragraphs 2 to 8 of this Article.	1. Institutions and financial holding companies and mixed financial holding companies, as approved pursuant to Article 21a(1), ("the entities"), shall have the primary responsibility for ensuring that members of the management body are at all times of good repute, <u>act with honesty integrity and independence</u> and possess sufficient knowledge, skills and experience to perform their duties and fulfil the requirements set out in paragraphs 2 to 8 of this Article. <u>The absence of a criminal conviction or of ongoing prosecutions for a criminal offence shall not in itself be sufficient to fulfil the requirement to be of good repute and act with honesty and integrity.</u>	1. Institutions and financial holding companies and mixed financial holding companies, as approved pursuant to Article 21a(1), ("the entities"), shall have the primary responsibility for ensuring that members of the management body are at all times of <b>sufficiently</b> good repute and possess sufficient knowledge, skills and experience to perform their duties and fulfil the requirements set out in paragraphs 2 to 8, <b>except as regards special managers appointed by resolution authorities under article 35 (1) of the Directive 2014/59/EU and temporary administrators appointed by competent authorities under</b> <del>of this article 29 (1) of the Directive 2014/59/EU.</del>
733a			



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			<b>Without prejudice to the first subparagraph of this paragraph, competent authorities shall not reassess the suitability of the members of the management body when their mandate is renewed, unless relevant information that is known to competent authorities has changed and such change may affect the suitability of the member concerned.</b>
733b			<b>Where members of the management body do not fulfil the requirements set out in this paragraph, competent authorities shall have the power to remove such members from the management body.</b>
734	Competent authorities shall in particular verify whether the criteria and requirements set out in the first subparagraph of this Article are still fulfilled where they have reasonable grounds to suspect that money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or there is increased risk thereof in connection with that institution.	Competent authorities shall in particular verify whether the criteria and requirements set out in the first subparagraph of this Article are still fulfilled where they have reasonable grounds to suspect that money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or there is increased risk thereof in connection with that institution.	<b>The</b> competent authorities shall in particular verify whether the <del>criteria and requirements set out in the first subparagraph of this Article</del> <b> paragraph</b> are still fulfilled where they have reasonable grounds to suspect that money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or there is increased risk thereof in connection with that institution.’;
735	2. Each member of the management body shall	2. Each member of the management body shall	

	Commission Proposal	EP Mandate	Council Mandate
	commit sufficient time to perform his or her functions in the entities.	commit sufficient time to perform his or her functions in the entities.	
736	3. Each member of the management body shall act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of the senior management where necessary and to effectively oversee and monitor management decision-making. Being a member of the management body of a credit institution permanently affiliated to a central body shall not in itself constitute an obstacle for acting with independence of mind.	3. Each member of the management body shall act with honesty, integrity and independence of mind to effectively assess and challenge the decisions of the senior management where necessary and to effectively oversee and monitor management decision-making. Being a member of the management body of a credit institution permanently affiliated to a central body shall not in itself constitute an obstacle for acting with independence of mind.	
737	4. The management body shall possess collective knowledge, skills and experience to be able to adequately understand the institution's activities, as well as the associated risks it is exposed to, in the short, medium and long term, taking into account the environmental, social and governance factors. The overall composition of the management body shall reflect an adequately broad range of experience.	4. The management body shall possess collective knowledge, skills and experience to be able to adequately understand the institution's activities, as well as the associated risks it is exposed to, in the short, medium and long term, taking into account the environmental, social and governance factors. The overall composition of the management body shall <u>be sufficiently diversified to</u> reflect an adequately broad range of experience.	
737a			<b>(b) in paragraph 4 the following subparagraph is added:</b>

	Commission Proposal	EP Mandate	Council Mandate
737b			<b>‘For the purposes of point (a) of this paragraph, a group shall mean a group of undertakings that are related to each other as set out in Article 22 of Directive 2013/34/EU *.’;</b>
738	5. The number of directorships which a member of the management body may hold simultaneously shall take into account individual circumstances and the nature, scale and complexity of the institution's activities. Unless where members of the management body represent the interests of a Member State, members of the management body of an institution that is significant in terms of its size, internal organisation and the nature, the scope and the complexity of its activities shall, from 1 July 2014, not hold more than one of the following combinations of directorships simultaneously:	5. The number of directorships which a member of the management body may hold simultaneously shall take into account individual circumstances and the nature, scale and complexity of the institution's activities. Unless where members of the management body represent the interests of a Member State, members of the management body of an institution that is significant in terms of its size, internal organisation and the nature, the scope and the complexity of its activities shall, from 1 July 2014, not hold more than one of the following combinations of directorships simultaneously:	
739	(a) one executive directorship with two non-executive directorships;	(a) one executive directorship with two non-executive directorships;	
740	(b) four non-executive directorships.	(b) four non-executive directorships.	

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741	6. For the purposes of paragraph 5, the following shall count as a single directorship:	6. For the purposes of paragraph 5, the following shall count as a single directorship:	
742	(a) executive or non-executive directorships held within the same group.	(a) executive or non-executive directorships held within the same group.	
743	(b) executive or non-executive directorships held within either of the following:	(b) executive or non-executive directorships held within either of the following:	
744	(i) institutions which are members of the same institutional protection scheme provided that the conditions set out in Article 113(7) of Regulation (EU) No 575/2013 are fulfilled;	(i) institutions which are members of the same institutional protection scheme provided that the conditions set out in Article 113(7) of Regulation (EU) No 575/2013 are fulfilled;	
745	(ii) undertakings, including non-financial entities, in which the institution holds a qualifying holding.	(ii) undertakings, including non-financial entities, in which the institution holds a qualifying holding.	
746	For the purposes of point (a) of this paragraph, a group shall mean a group of undertakings that are related to each other as set out in Article 22 of Directive 2013/34/EU of the European Parliament and of the Council <sup>*13</sup> .	For the purposes of point (a) of this paragraph, a group shall mean a group of undertakings that are related to each other as set out in Article 22 of Directive 2013/34/EU of the European Parliament and of the Council <sup>*13</sup> .	

	Commission Proposal	EP Mandate	Council Mandate
746a			<b>(c) paragraph 7 is replaced by the following:</b>
747	7. Directorships in organisations which do not pursue predominantly commercial objectives shall not count for the purposes of paragraph 5.	7. Directorships in organisations which do not pursue predominantly commercial objectives shall not count for the purposes of paragraph 5.	<del>7. Directorships in organisations which do not pursue predominantly commercial objectives shall not count for the purposes of paragraph 5.</del> <b>5The management body shall possess adequate collective knowledge, skills and experience to be able to understand the institution's activities, including the main risks, taking into account the environmental, social and governance factors. The overall composition of the management body shall reflect an adequately broad range of experience.;</b>
748	8. Competent authorities may authorise members of the management body to hold one non-executive directorship on top of the directorships referred to in paragraph 5, points (a) and (b).	8. Competent authorities may authorise members of the management body to hold one non-executive directorship on top of the directorships referred to in paragraph 5, points (a) and (b).	
749	9. The entities shall devote adequate human and financial resources to the induction and training of members of the management body.	9. The entities shall devote adequate human and financial resources to the induction and training of members of the management body, <u>including on environmental, social and governance risks and on ICT related risks.</u>	

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750	10. Member States or competent authorities shall require entities and their respective nomination committees, where established, to engage a broad set of qualities and competences when recruiting members to the management body and for that purpose to put in place a policy promoting diversity in the management body.	10. Member States or competent authorities shall require entities and their respective nomination committees, where established, to engage a broad set of qualities and competences when recruiting members <u>and to promote diversity and gender-balance in</u> <del>to</del> the management body <del>and for</del> . <u>For</u> that purpose, <u>institutions shall</u> <del>to</del> put in place a policy promoting diversity in the management body, <u>including setting a target for the minimum representation of the underrepresented gender and concrete measures to balance gender participation</u> .	
751	11. Competent authorities shall collect the information disclosed in accordance with Article 435(2), point (c), of Regulation (EU) No 575/2013 and shall use that information to benchmark diversity practices. Competent authorities shall provide EBA with that information. EBA shall use that information to benchmark diversity practices at Union level.	11. Competent authorities shall collect the information disclosed in accordance with Article 435(2), point (c), of Regulation (EU) No 575/2013 and shall use that information to benchmark diversity practices. Competent authorities shall provide EBA with that information. EBA shall use that information to benchmark diversity practices at Union level.	
752	12. EBA shall issue guidelines on the following:	12. EBA shall issue guidelines on the following:	

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
753	(a) the notion of sufficient time commitment of a member of the management body to perform his or her functions, in relation to the individual circumstances and the nature, scale and complexity of activities of the institution;	(a) the notion of sufficient time commitment of a member of the management body to perform his or her functions, in relation to the individual circumstances and the nature, scale and complexity of activities of the institution;	
754	(b) the notions of honesty, integrity and independence of mind of a member of the management body as referred to in paragraph 3;	(b) the notions of honesty, integrity and independence of mind of a member of the management body as referred to in paragraph 3;	
755	(c) the notion of adequate collective knowledge, skills and experience of the management body as referred to in paragraph 4;	(c) the notion of adequate collective knowledge, skills and experience of the management body as referred to in paragraph 4;	
756	(d) the notion of adequate human and financial resources devoted to the induction and training of members of the management body as referred to in paragraph 9;	(d) the notion of adequate human and financial resources devoted to the induction and training of members of the management body as referred to in paragraph 9;	
757	(e) the notion of diversity to be taken into account for the selection of members of the management body as referred to in paragraph 10;	(e) the notion of diversity to be taken into account for the selection of members of the management body as referred to in paragraph 10;	

	Commission Proposal	EP Mandate	Council Mandate
757a		<u><i>(ea) the criteria to determine where there are reasonable grounds to suspect that money laundering or terrorist financing within the meaning of Article 1 of Directive (EU) 2015/849 is being or has been committed or attempted, or there is increased risk thereof in connection with an institution.</i></u>	
757b		<u><i>For the purpose of developing the guidelines laid down in paragraph (ea), EBA shall work in close cooperation with the Anti-Money Laundering Authority and the European Securities and Markets Authority.</i></u>	
758	EBA shall issue those guidelines by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	EBA shall issue those guidelines by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	
758a			<b>(d) the last paragraph of Article 91 is replaced by the following:</b>
759	13. This Article and Articles 91a to 91d shall be without prejudice to provisions of the Member States on the representation of	13. This Article and Articles 91a to 91d shall be without prejudice to provisions of the Member States on the representation of	13. This Article <del>and Articles 91a to 91d</del> shall be without prejudice to provisions of the Member States on the representation of



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	employees in the management body.’;	employees in the management body.’;	employees in <b>the management body and on the appointment of members of the management body in its supervisory function by regional or local public elected bodies. In these cases, appropriate safeguards shall be put in place to ensure the suitability of these members of the management body.</b> ’;
759a		<u><i>13a. Articles 91a and 91b shall be without prejudice to provisions of the Member States on the appointment of members of the management body in its supervisory function by regional or local elected bodies or the appointments where the management body does not have any competence in the process of selecting and appointing its members.</i></u>	
760	_____	_____	
761	* <sup>13</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council (OJ L 182,	* <sup>13</sup> Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council (OJ L 182,	

	Commission Proposal	EP Mandate	Council Mandate
	29.6.2013)	29.6.2013)	
762	(20) the following Articles 91a to 91d are inserted:	(20) the following Articles 91a to 91d are inserted:	<i>deleted</i>
763	Article 91a Suitability assessment of members of the management body by the entities	Article 91a Suitability assessment of members of the management body by the entities	<i>deleted</i>
764	1. The entities as referred to in Article 91(1) shall ensure that members of the management body fulfil the criteria and requirements set out in Article 91(1) to (8) at all times.	1. The entities as referred to in Article 91(1) shall ensure that members of the management body fulfil the criteria and requirements set out in Article 91(1) to (8) at all times.	<i>deleted</i>
765	2. The entities shall assess the suitability of members of the management body before those members take up their positions. Where the entities conclude, based on the suitability assessment, that the member concerned does not fulfil the criteria and requirements set out in paragraph 1, the entities shall ensure that the member concerned does not take up the position considered.	2. The entities shall assess the suitability of members of the management body before those members take up their positions. <del>Where the entities conclude, based on the suitability assessment, that the member concerned does not fulfil the criteria and requirements set out in paragraph 1, the entities shall ensure that the member concerned does not take up the position considered.</del>	<i>deleted</i>

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766	<p>However, where it is strictly necessary to replace a member of the management body immediately, the entities may assess the suitability of such replacement members after they have taken up their positions. The entities shall be able to duly justify such immediate replacement.</p>	<p>However, where it is strictly necessary to replace a member of the management body immediately, the entities may <del>assess</del> <u>conduct a lighter</u> suitability <u>assessment</u> of such replacement members <u>before they have taken up their positions. A complete assessment shall be carried out as soon as possible</u> after <del>they</del> <u>the replacement members</u> have taken up their positions. <u>EBA shall issue guidelines specifying the conditions for conducting a lighter assessment, including guidance on the cases that might be considered urgent.</u> The entities shall be able to duly justify such immediate replacement.</p>	<p><i>deleted</i></p>
766a		<p><u>In the case of small and non-complex institutions within the meaning of Article 4(1), point 145 of Regulation (EU) No 575/2013, and when an ex-ante assessment is not possible to be conducted, entities shall assess the suitability of members of the management body after those members take up their positions.</u></p>	
766b		<p><u>Where the entities conclude, based on the suitability assessment, that the member concerned does not fulfil the criteria and requirements set out in paragraph 1, the entities shall:</u></p>	

	Commission Proposal	EP Mandate	Council Mandate
766c		<u>(a) ensure that the member concerned does not take up the position considered, in the case that the suitability assessment is completed before that member takes up the position;</u>	
766d		<u>(b) remove such members from the management body or take the measures necessary to ensure that such members are suitable for the position concerned, in the case that those members take up their positions before the completion of the assessment.</u>	
767	3. The entities shall ensure that information about the suitability of the members of the management body remains up-to-date. Where requested, the entities shall communicate that information to the competent authorities.	3. The entities shall ensure that information about the suitability of the members of the management body remains up-to-date. Where requested, the entities shall communicate that information to the competent authorities.	<i>deleted</i>
767a		<u>3a. As soon as any new facts or other issues that may affect the suitability of the member of the management body are known to the entities, the entities shall inform without undue delay the relevant competent authorities thereof.</u>	

	Commission Proposal	EP Mandate	Council Mandate
768	4. The entities that renew the mandate of members of the management body shall inform in writing the competent authorities within 15 working days of the date of that renewal of the mandate.	4. The entities that renew the mandate of members of the management body shall inform in writing the competent authorities <u>without undue delay and at the latest</u> within 15 working days of the date of that renewal of the mandate.	<i>deleted</i>
769	Article 91b Suitability assessment of members of the management body of the entities by competent authorities	Article 91b Suitability assessment of members of the management body of the entities by competent authorities	<i>deleted</i>
770	1. Member States shall ensure that competent authorities assess whether members of the management body of the entities as referred to in Article 91(1) fulfil the criteria and requirements set out in Article 91(1) to (8) at all times.	1. Member States shall ensure that competent authorities assess whether members of the management body of the entities as referred to in Article 91(1) fulfil the criteria and requirements set out in Article 91(1) to (8) at all times.	<i>deleted</i>
771	2. For the assessment referred to in paragraph 1, the entities shall submit the initial application of the relevant member of the management body to the competent authorities without undue delay after the internal suitability assessment is completed. That	2. For the assessment referred to in paragraph 1, the entities shall submit the initial application of the relevant member of the management body to the competent authorities without undue delay after the internal suitability assessment is completed. That	<i>deleted</i>

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	application shall be accompanied by all the information and documentation necessary for competent authorities to carry out the suitability assessment effectively.	application shall be accompanied by all the information and documentation necessary for competent authorities to carry out the suitability assessment effectively.	
771a		<u><i>2a. In the cases where it is not possible for the entity to carry out an internal suitability assessment before members of the management body take up their positions in accordance with Article 91a paragraph 2, the application shall be provided as soon as possible after the selection of the member, and in any case, without undue delay after the member takes up the position.</i></u>	
771b		<u><i>The application shall be accompanied by all the information and documentation necessary for competent authorities to carry out the suitability assessment effectively.</i></u>	
772	3. Competent authorities shall acknowledge in writing the receipt of the application and the documentation required in accordance with paragraph 2 within two working days.	3. Competent authorities shall <del>acknowledge in writing the receipt of the application and the documentation required in accordance with paragraph 2 within two working days</del> <u>complete the suitability assessment within 80 working days ("assessment period") as from the date of the written acknowledgement of the receipt of the complete application and underlying</u>	deleted

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		<u>documentation.</u>	
773	Competent authorities shall complete the assessment referred to in paragraph 1 within 80 working days ('assessment period') as from the date of the written acknowledgement referred to in the first subparagraph of this paragraph.	Competent authorities <del>shall complete the assessment referred to in paragraph 1 within 80 working days ('assessment period') as from the date</del> <u>may request the competent authority for the supervision of anti-money laundering in line with Directive (EU) 2015/849, to consult, in the context of their verifications, and on a risk-sensitive basis, the relevant information concerning the members of the <del>written acknowledgement</del> management body. Competent authorities may also request to have access to the Central AML/CFT database</u> referred to in <u>Article 11 of Regulation [please insert reference – proposal for establishment of an Anti-Money Laundering Authority - COM/2021/421 final]. The competent authority for the supervision of anti-money laundering in line with Directive (EU) 2015/849 shall decide on whether or not to grant such request</u> <del>the first subparagraph of this paragraph.</del>	<i>deleted</i>
774	4. Competent authorities that request from the entities additional information or documentation, including interviews or hearings, may extend the assessment period for a maximum of 40 working days. However, the assessment period shall not exceed 120	4. Competent authorities that request <u>additional information or documentation</u> from the entities <del>additional information or documentation, including</del> <u>referred to in paragraph 1 or other authorities or which conduct</u> interviews or hearings, may extend the	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	working days. Request for additional information or documentation shall be made in writing and shall be specific. The entities shall acknowledge receipt of request for additional information or documentation within two working days and provide the requested additional information or documentation within 10 working days as of the date of the written acknowledgement of the request from competent authorities.	assessment period for a maximum of <del>40</del> 20 working days. However, the assessment period shall not exceed <del>120</del> 90 working days. Request for additional information or documentation shall be made in writing and shall be specific. The entities shall acknowledge receipt of request for additional information or documentation within two working days and provide the requested additional information or documentation within 10 working days as of the date of the written acknowledgement of the request from competent authorities. <u>Failure by the entities to provide the requested information within this deadline shall result in the procedure being closed without any further assessment by the competent authority. The closure of the procedure shall be without prejudice to the possibility for the entity to submit a new application.</u>	
775	5. As soon as any new facts or other issues that may affect the suitability of the member of the management body are known to the entities or the relevant member of the management body, the entities shall inform without undue delay the relevant competent authorities thereof.	5. As soon as any new facts or other issues that may affect the suitability of the member of the management body are known to the entities or the relevant member of the management body, the entities shall inform without undue delay the relevant competent authorities thereof.	<i>deleted</i>
775a		<u>5a. Where the competent authority becomes aware that relevant information concerning the suitability of the member of the</u>	



	Commission Proposal	EP Mandate	Council Mandate
		<u>management body has changed and such change may affect the suitability of the member concerned, the competent authority shall reassess the suitability of the member of the management.</u>	
776	6. Competent authorities shall not reassess the suitability of members of the management body when their mandate is renewed, unless relevant information that is known to competent authorities has changed and such change may affect the suitability of the member concerned.	6. Competent authorities <del>shall not</del> <u>may decide not to</u> reassess the suitability of members of the management body when their mandate is renewed, unless relevant information that is known to competent authorities has changed and such change may affect the suitability of the member concerned.	<i>deleted</i>
777	7. Where members of the management body do not fulfil the requirements set out in Article 91(1) to (8) at all times or where the entities do not comply with the obligations and deadlines laid down in paragraphs 2 or 4 of this Article, Member States shall ensure that competent authorities have the necessary powers to:	7. Where members of the management body do not fulfil the requirements set out in Article 91(1) to (8) at all times or where the entities do not comply with the obligations and deadlines laid down in paragraphs 2 or 4 of this Article, Member States shall ensure that competent authorities have the necessary powers to:	<i>deleted</i>
778	(a) prevent such members to be part of the management body;	(a) prevent such members to be part of the management body;	<i>deleted</i>
779	(b) remove such members from the	(b) <u>suspend or</u> remove such members from the	

	Commission Proposal	EP Mandate	Council Mandate
	management body;	management body;	<i>deleted</i>
780	(c) require the entities concerned to take the measures necessary to ensure that such member is suitable for the position concerned.	(c) require the entities concerned to take the measures necessary to ensure that such member is suitable for the position concerned.	<i>deleted</i>
781	8. In accordance with paragraphs 1 to 7, competent authorities shall carry out the suitability assessment before members of the management body take up their positions in the following entities:	8. In accordance with paragraphs 1 to 7, competent authorities shall carry out the suitability assessment before members of the management body take up their positions in the following entities:	<i>deleted</i>
782	(a) the EU parent institution that qualifies as large institution;	(a) the EU parent institution that qualifies as large institution;	<i>deleted</i>
783	(b) the parent institution in a Member State that qualifies as large institution;	(b) the parent institution in a Member State that qualifies as large institution <u>except if it is affiliated to a central body, in which case, only the suitability of members of the management body of the central body shall be assessed ex-ante;</u>	<i>deleted</i>
784	(c) central body that qualifies as large institution or that supervises large institutions affiliated to it;	(c) central body that qualifies as large institution or that supervises large institutions affiliated to it;	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
785	(d) stand-alone institution in the EU that qualifies as large institution;	(d) stand-alone institution in the EU that qualifies as large institution;	<i>deleted</i>
786	(e) relevant subsidiary;	(e) relevant subsidiary;	<i>deleted</i>
787	(f) the parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies, having large institutions or relevant subsidiaries within their group.	(f) the parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies, having large institutions or relevant subsidiaries within their group.	<i>deleted</i>
788	However, where it is strictly necessary to replace a member of the management body immediately, competent authorities may carry out the suitability assessment of members of the management body after they take up their positions. The entities shall be able to duly justify such immediate replacement.	However, where it is strictly necessary to replace a member of the management body immediately, competent authorities may carry out the suitability assessment of members of the management body after they take up their positions. The entities shall <del>be able to duly</del> <u>justify</u> <del>duly justify the need for</del> such immediate replacement.	<i>deleted</i>
789	9. For the purposes of paragraph 2, EBA shall	9. For the purposes of paragraph 2, EBA shall	

	Commission Proposal	EP Mandate	Council Mandate
	develop draft regulatory technical standards specifying information or accompanying documents required to be submitted to the competent authorities for performing the suitability assessment.	develop draft regulatory technical standards specifying information or accompanying documents required to be submitted to the competent authorities for performing the suitability assessment.	<i>deleted</i>
790	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	<i>deleted</i>
791	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	<i>deleted</i>
792	10. EBA shall develop draft implementing technical standards on standard forms, templates and procedures for the provision of the information referred to in paragraph 2.	10. EBA shall develop draft implementing technical standards on standard forms, templates and procedures for the provision of the information referred to in paragraph 2. <u><i>When developing the draft implementing technical standards, EBA shall take into account existing practices and tools.</i></u>	<i>deleted</i>
793			

	Commission Proposal	EP Mandate	Council Mandate
	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 12 months from the date of entry into force of this amending Directive].	<i>deleted</i>
794	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	<i>deleted</i>
794a			<b>(19a) The following Article 91a is inserted:</b>
795	Article 91c Suitability criteria and assessment by the entities of key function holders	Article 91c Suitability criteria and assessment by the entities of key function holders	<del>Article 91e</del> Suitability criteria and assessment by the entities of <b>91a</b> Key function holders
796	1. The entities as referred to in Article 91(1) shall have the primary responsibility for ensuring that key function holders are of good repute, have honesty and integrity and possess the knowledge, skills and experience necessary to perform their duties at all times.	1. The entities as referred to in Article 91(1) shall have the primary responsibility for ensuring that key function holders are of good repute, have honesty and integrity and possess the knowledge, skills and experience necessary to perform their duties at all times.	1. The entities as referred to in Article <del>91(1)</del> <b>91 (1)</b> shall have the primary responsibility for ensuring that key function holders are of good repute, have honesty and integrity and possess the knowledge, skills and experience necessary to perform their duties at all times.
797			

	Commission Proposal	EP Mandate	Council Mandate
	2. Where the entities conclude, based on the assessment referred to in paragraph 1, that the person does not fulfil the requirements set out in that paragraph, they shall not appoint that person as a key function holder. The entities shall take all measures necessary to ensure the appropriate functioning of that position.	2. Where the entities conclude, based on the assessment referred to in paragraph 1, that the person does not fulfil the requirements set out in that paragraph, they shall not appoint that person as a key function holder. The entities shall take all measures necessary to ensure the appropriate functioning of that position, <u>including replacing the key function holder if that person ceases to comply with the suitability criteria.</u>	2. Where the entities conclude, based on the assessment referred to in paragraph 1, that the person does not fulfil the requirements set out in that paragraph, they shall not appoint that person as a key function holder. The entities shall take all measures necessary to ensure the appropriate functioning of that position.
798	3. The entities shall ensure that information about the suitability of the key function holders remains up-to-date. Where requested, the entities shall communicate that information to competent authorities.	3. The entities shall ensure that information about the suitability of the key function holders remains up-to-date. Where requested, the entities shall communicate that information to competent authorities.	3. The entities shall ensure that information about the suitability of the key function holders remains up-to-date. Where requested, the entities shall communicate that information to competent authorities.
798a			<b>4. Member States shall ensure that competent authorities assess whether the heads of internal control functions and the chief financial officer fulfil the suitability criteria set out in paragraph 1, where those heads or the officer are appointed for roles at least in the following entities:</b>
798b			<b>(a) the EU parent institution that qualifies as large institution;</b>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
798c			<b>(b) the parent institution in a Member State that qualifies as large institution; except where it is affiliated to a central body;</b>
798d			<b>(c) central body that qualifies as large institution or that supervises large institutions affiliated to it;</b>
798e			<b>(d) institution in the EU that qualifies as a large institution; for the purpose of this paragraph, the condition under letter (d) of Article 4(1), point (146), of Regulation (EU) No 575/2013 applies on an individual basis;</b>
798f			<b>(e) the parent financial holding companies in a Member State, parent mixed financial holding companies in a Member State, EU parent financial holding companies and EU parent mixed financial holding companies, having large institutions within their group, except those falling under Article 21a(4).;</b>
799	Article 91d Suitability assessment by competent authorities	Article 91d Suitability assessment by competent authorities	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	of the heads of internal control functions and chief financial officer	of the heads of internal control functions and chief financial officer	
800	1. Member States shall ensure that competent authorities assess before the heads of internal control functions and the chief financial officer take up their positions whether they fulfil the suitability criteria set out in Article 91c(1), where those heads or officer are to be appointed for roles in the following entities:	1. Member States shall ensure that competent authorities assess before the heads of internal control functions and the chief financial officer take up their positions whether they fulfil the suitability criteria set out in Article 91c(1), where those heads or officer are to be appointed for roles in the following entities:	<i>deleted</i>
801	(a) the EU parent institution that qualifies as large institution;	(a) the EU parent institution that qualifies as large institution;	<i>deleted</i>
802	(b) the parent institution in a Member State that qualifies as large institution;	(b) the parent institution in a Member State that qualifies as large institution, <u>except if it is affiliated to a central body, in which case, only the suitability of the heads of internal control functions and the chief financial officer of the central body shall be assessed;</u>	<i>deleted</i>
803	(c) central body that qualifies as large institution or that supervises large institutions affiliated to it;	(c) central body that qualifies as large institution or that supervises large institutions affiliated to it;	<i>deleted</i>
804			



	Commission Proposal	EP Mandate	Council Mandate
	(d) stand-alone institution in the EU that qualifies as a large institution;	(d) stand-alone institution in the EU that qualifies as a large institution;	<i>deleted</i>
805	(e) relevant subsidiary.	(e) relevant subsidiary <u>when they are parent institutions in a Member State.</u>	<i>deleted</i>
806	2. For the assessment of the suitability of the heads of internal control functions and chief financial officer as referred to in paragraph 1, the entities referred to in that paragraph shall submit the initial application of the person concerned to the competent authorities without undue delay after the internal suitability assessment is completed. That application shall be accompanied by all the information and documentation necessary to competent authorities to carry out the suitability assessment effectively.	2. For the assessment of the suitability of the heads of internal control functions and chief financial officer as referred to in paragraph 1, the entities referred to in that paragraph shall submit the initial application of the person concerned to the competent authorities without undue delay after the internal suitability assessment is completed. That application shall be accompanied by all the information and documentation necessary to competent authorities to carry out the suitability assessment effectively.	<i>deleted</i>
807	3. Competent authorities shall acknowledge in writing the receipt of the application and the documentation required in accordance with paragraph 2 within two working days.	3. Competent authorities shall acknowledge in writing the receipt of the application and the documentation required in accordance with paragraph 2 within two working days.	<i>deleted</i>
807a		<u>Competent authorities may request the competent authority for the supervision of</u>	

	Commission Proposal	EP Mandate	Council Mandate
		<u><a href="#">anti-money laundering in line with Directive (EU) 2015/849, to consult, in the context of their verifications, and on a risk-sensitive basis, the relevant information concerning the heads of internal control functions and the chief financial officer. Competent authorities may also request to have access to the Central AML/CFT database referred to in Article 11 of Regulation [please insert reference – proposal for establishment of an Anti-Money Laundering Authority - COM/2021/421 final]. The competent authority for the supervision of anti-money laundering in line with Directive (EU) 2015/849 shall decide on whether or not to grant such request.</a></u>	
808	Competent authorities shall assess the suitability of the heads of internal control functions and chief financial officer within 80 working days ('assessment period') as from the date of the written acknowledgement referred to in the first subparagraph.	Competent authorities shall assess the suitability of the heads of internal control functions and chief financial officer within <del>80</del> <u>60</u> working days ('assessment period') as from the date of the written acknowledgement referred to in the first subparagraph.	<i>deleted</i>
809	4. Competent authorities that request from the entities referred to paragraph 1 additional information or documentation, including interviews or hearings, may extend the assessment period for maximum 40 working days. However, the assessment period shall not exceed 120 working days. Request for	4. Competent authorities that request <u>additional information or documentation</u> from the entities referred to <u>in</u> paragraph 1 <del>additional information or documentation, including</del> <u>or from other authorities or which conduct</u> interviews or hearings, may extend the assessment period for maximum <del>40</del> <u>20</u> working	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	<p>additional information or documentation shall be made in writing and shall be specific. The entities referred to paragraph 1 shall acknowledge receipt of request for additional information or documentation within two working days and provide the requested additional information or documentation within 10 working days as of the date of the written acknowledgement of the request from competent authorities.</p>	<p>days. However, the assessment period shall not exceed <del>120</del>90 working days. Request for additional information or documentation shall be made in writing and shall be specific. The entities referred to paragraph 1 shall acknowledge receipt of request for additional information or documentation within two working days and provide the requested additional information or documentation within 10 working days as of the date of the written acknowledgement of the request from competent authorities. <u><i>Failure by the entities to provide the requested information within this deadline shall result in the procedure being closed without any further assessment by the competent authority. The closure of the procedure shall be without prejudice to the possibility for the entity to submit a new application.</i></u></p>	
810	<p>5. As soon as any new facts or other issues that may affect the suitability of the member of the management body are known to the entities referred to in paragraph 1 or the relevant member of the management body, the entities referred to in that paragraph shall inform without undue delay the relevant competent authorities thereof.</p>	<p>5. As soon as any new facts or other issues that may affect the suitability of the <del>member of the management body</del><u>heads of internal control functions and the chief financial officer</u> are known to the entities referred to in paragraph 1 or <del>the relevant member of the management body</del><u>to those heads or officer</u>, the entities referred to in that paragraph shall inform without undue delay the relevant competent authorities thereof.</p>	<p><i>deleted</i></p>

	Commission Proposal	EP Mandate	Council Mandate
810a		<u>5a. Where the competent authority becomes aware that relevant information concerning the suitability of the heads of internal control functions and the chief financial officer has changed and such change may affect the suitability of the heads or officer concerned, the competent authority shall reassess their suitability.</u>	
811	6. Where the heads of internal control functions and chief financial officer do not fulfil the requirements set out in Article 91c(1), or where the entities referred to paragraph 1 of this Article do not comply with the obligations and deadlines in paragraphs 2 and 4 of this Article, Member States shall ensure that competent authorities have the necessary powers to:	6. Where the heads of internal control functions and chief financial officer do not fulfil the requirements set out in Article 91c(1), or where the entities referred to paragraph 1 of this Article do not comply with the obligations and deadlines in paragraphs 2 and 4 of this Article, Member States shall ensure that competent authorities have the necessary powers to:	<i>deleted</i>
812	(a) prevent such heads or officer to exercise their functions;	(a) prevent such heads or officer to exercise their functions;	<i>deleted</i>
813	(b) remove such heads or officer;	(b) <u>suspend or</u> remove such heads or officer;	<i>deleted</i>
814			

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	(c) require the entities referred to paragraph 1 to take the appropriate measures to ensure that such heads or officer concerned are suitable for the position considered.	(c) require the entities referred to paragraph 1 to take the appropriate measures to ensure that such heads or officer concerned are suitable for the position considered.	<i>deleted</i>
815	7. For the purposes of this Article, EBA shall develop draft regulatory technical standards specifying information or accompanying documents required to be submitted to the competent authorities for performing the suitability assessment.	7. For the purposes of this Article, EBA shall develop draft regulatory technical standards specifying information or accompanying documents required to be submitted to the competent authorities for performing the suitability assessment.	<i>deleted</i>
816	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months after the date of entry into force of this amending Directive].	EBA shall submit those draft regulatory technical standards to the Commission by [OP please insert the date = 12 months after the date of entry into force of this amending Directive].	<i>deleted</i>
817	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	Power is delegated to the Commission to adopt the regulatory technical standards referred to in the first subparagraph in accordance with Articles 10 to 14 of Regulation (EU) No 1093/2010.	<i>deleted</i>
818	8. EBA shall develop draft implementing technical standards on standard forms, templates and procedures for the provision of	8. EBA shall develop draft implementing technical standards on standard forms, templates and procedures for the provision of	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	the information referred to in paragraph 2.	the information referred to in paragraph 2. <u><i>When developing the draft implementing technical standards, EBA shall take into account existing practices and tools.</i></u>	
819	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	EBA shall submit those draft implementing technical standards to the Commission by [OP please insert the date = 12 months from date of entry into force of this amending Directive].	<i>deleted</i>
820	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.	<i>deleted</i>
821	9. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, facilitating the implementation and consistent application of procedural requirements laid down in Articles 91a to 91d of this Directive and the application of powers and actions to be taken by the competent authorities referred to in Article 91b(7) and 91d(6) of this Directive. EBA shall issue those guidelines by [OP-please insert the date = 12 months from date of entry into force of this Directive].;	9. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, <u><i>on the fulfilment of the requirements of Article 91c and on</i></u> facilitating the implementation and consistent application of procedural requirements laid down in Articles 91a to 91d of this Directive and the application of powers and actions to be taken by the competent authorities referred to in Article 91b(7) and 91d(6) of this Directive. EBA shall issue those guidelines by [OP-please insert the date = 12 months from date of entry into force of this Directive].;	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
822	(21) Article 92 is amended as follows:	( <del>21</del> 22) Article 92 is amended as follows:	(21) Article 92 is amended as follows:
823	(a) in paragraph 2, points (e) and (f) are replaced by the following:	(a) in paragraph 2, points (e) and (f) are replaced by the following:	(a) in paragraph 2, points (e) and (f) are replaced by the following:
824	(e) staff engaged in internal control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control;	(e) staff engaged in internal control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control;	(e) staff engaged in internal control functions are independent from the business units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control;
825	(f) the remuneration of the senior staff in the internal control functions is directly overseen by the remuneration committee referred to in Article 95 or, if such a committee has not been established, by the management body in its supervisory function;;	(f) the remuneration of the senior staff in the internal control functions is directly overseen by the remuneration committee referred to in Article 95 or, if such a committee has not been established, by the management body in its supervisory function;;	(f) the remuneration of the <del>senior staff in the</del> <b>heads of</b> internal control functions is directly overseen by the remuneration committee referred to in Article 95 or, if such a committee has not been established, by the management body in its supervisory function;;
826	(b) in paragraph 3, point (b) is replaced by the	(b) in paragraph 3, point (b) is replaced by the	(b) in paragraph 3, point (b) is replaced by the

	Commission Proposal	EP Mandate	Council Mandate
	following:	following:	following:
827	‘ (b) staff members with managerial responsibility over the institution's internal control functions or material business units;;	‘ (b) staff members with managerial responsibility over the institution's internal control functions or material business units;;	‘ (b) staff members with managerial responsibility over the institution's internal control functions or material business units;;
828	(22) Article 94 is amended as follows:	<del>(22)</del> Article 94 is amended as follows:	<del>(22)</del> Article 94 is amended as follows:
828a		<u><i>(-a) in paragraph 1, point (a) is replaced by the following:</i></u>	
828b		“ <u><i>(a) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the institution and when assessing individual performance, financial and non-financial criteria are taken into account, including the treatment of risks referred to in Article 76, paragraph 2;’</i></u> ”	



	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
829	(a) in paragraph 1, point (g)(ii), the fifth indent is replaced by the following:	(a) in paragraph 1, point (g)(ii), the fifth indent is replaced by the following:	<i>deleted</i>
830	‘ - the institution shall, without delay, inform the competent authority of the decisions taken by its shareholders or owners or members, including any approved higher maximum ratio pursuant to the first subparagraph of this point, and the competent authorities shall use the information received to benchmark the practices of institutions in that regard. The competent authorities shall provide EBA with the benchmarks and EBA shall publish them on an aggregate home Member State basis in a common reporting format. EBA may elaborate guidelines to facilitate the implementation of this indent and to ensure the consistency of the information collected;’,	‘ - the institution shall, without delay, inform the competent authority of the decisions taken by its shareholders or owners or members, including any approved higher maximum ratio pursuant to the first subparagraph of this point, and the competent authorities shall use the information received to benchmark the practices of institutions in that regard. The competent authorities shall provide EBA with the benchmarks and EBA shall publish them on an aggregate home Member State basis in a common reporting format. EBA may elaborate guidelines to facilitate the implementation of this indent and to ensure the consistency of the information collected;’,	<i>deleted</i>
831	(b) in paragraph 2, third subparagraph, point (a) is replaced by the following:	(b) in paragraph 2, third subparagraph, point (a) is replaced by the following:	(b) in paragraph 2, third subparagraph, point (a) is replaced by the following:
832	‘ (a) managerial responsibility and internal control functions;’,	‘ (a) managerial responsibility and internal control functions;’,	‘ (a) managerial responsibility and internal control functions;’,

	Commission Proposal	EP Mandate	Council Mandate
833	(c) in paragraph 3, point (a) is replaced by the following:	(c) in paragraph 3, point (a) is replaced by the following:	(c) in paragraph 3, point (a) is replaced by the following:
834	(a) an institution that is not a large institution and the value of the assets of which is on average and on an individual basis in accordance with this Directive and Regulation (EU) No 575/2013 equal to or less than EUR 5 billion over the four-year period immediately preceding the current financial year;;	(a) an institution that is not a large institution and the value of the assets of which is on average and on an individual basis in accordance with this Directive and Regulation (EU) No 575/2013 equal to or less than EUR 5 billion over the four-year period immediately preceding the current financial year;;	(a) an institution that is not a large institution and the value of the assets of which is on average and on an individual basis in accordance with this Directive and Regulation (EU) No 575/2013 equal to or less than EUR 5 billion over the four-year period immediately preceding the current financial year;;
834a		<u><i>(23a) in Article 97(4), the second subparagraph is replaced by the following:</i></u>	
834b		<u><i>When conducting the review and evaluation referred to in paragraph 1 of this Article, competent authorities shall apply the principle of proportionality in accordance with the criteria disclosed pursuant to point (c) of Article 143(1). In particular, competent authorities shall take into account the</i></u>	

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		<u>following elements:</u>	
834c		<u>(a) whether the entity is not a G-SII according to point 133 of Article 4, paragraph 1, of Regulation (EU) 575/2013;</u>	
834d		<u>(b) whether the entity and its subsidiaries are linked according to Article 22, paragraph 7, of Directive 2013/34/EU and applicable national laws require affiliated undertakings to allocate profits mainly to the common interests of members;</u>	
834e		<u>(c) whether the subsidiaries are small and non-complex institutions according to point 145 of Article 4, paragraph 1, of Regulation (EU) 575/2013, or less significant institutions according to Article 6, paragraph 4, of Regulation (EU) 1024/2013. ';</u>	
834f		<u>(23b) in Article 98(1), the following point is added:</u>	
834g		"	

	Commission Proposal	EP Mandate	Council Mandate
		<u><i>(ia) the extent to which the institutions have put in place appropriate policies and operational actions related to the targets and milestones defined in the plans referred to in Article 76(2).’;</i></u> "	
835	(23) in Article 98, the following paragraph 9 is added:	<del>(23</del> <u>24</u> ) in Article 98, the following paragraph 9 is added:	<del>(23</del> <u>24</u> ) in Article 98, the following paragraph 9 is added:
835a		<u><i>-1. Institution’s exposures to environmental, social and governance risks shall be assessed also on the basis of institutions’ plans as defined in Article 76(2). Institutions’ governance and risk management processes with regard to environmental, social and governance risks shall be brought into line with the objectives set out in those plans.</i></u>	
835b		<u><i>The review and evaluation performed by competent authorities shall include the assessment of the institutions’ plans and targets, as referred to in Article 76(2), as well as the progress made towards addressing the environmental, social and governance risks arising from the process of adjustment towards climate neutrality by 2050, as set out</i></u>	

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		<u><i>in Regulation (EU) 2021/1119, as well as towards other relevant Union policy objectives in relation to environmental, social and governance factors.</i></u> ;	
836	‘ 9. The review and evaluation performed by competent authorities shall include the assessment of institutions’ governance and risk management processes for dealing with environmental, social and governance risks, as well as of the institutions’ exposures to environmental, social and governance risks. In determining the adequacy of institutions’ processes and exposures, competent authorities shall take into account the business models of those institutions.; ’	9. The review and evaluation performed by competent authorities shall include the assessment of institutions’ governance and risk management processes for dealing with environmental, social and governance risks, as well as of the institutions’ exposures to environmental, social and governance risks. In determining the adequacy of institutions’ processes and exposures, competent authorities shall take into account the business models of those institutions.; ’	‘ 9. The review and evaluation performed by competent authorities shall include the assessment of institutions’ governance and risk management processes for dealing with environmental, social and governance risks, as well as of the institutions’ exposures to environmental, social and governance risks. In determining the adequacy of institutions’ processes and exposures, competent authorities shall take into account the business models of those institutions.; ’
837	(24) in Article 100 the following paragraphs 3 and 4 are added:	<del>(24)</del> in Article 100 the following paragraphs 3 and 4 are added:	<del>(24)</del> in Article 100 the following paragraphs 3 and 4 are added:
838	‘ 3. Institutions and any third parties acting in a consulting capacity to institutions shall refrain from activities that can impair a stress test, such as benchmarking, exchange of information among themselves, agreements on	‘ 3. Institutions and any third parties acting in a consulting capacity to institutions shall refrain from activities that can impair a stress test, such as benchmarking, exchange of information among themselves, agreements on	‘ 3. Institutions and any third parties acting in a consulting capacity to institutions shall refrain from activities that can impair a stress test, such as benchmarking, exchange of information among themselves, agreements on

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	common behaviour, or optimisation of their submissions in stress tests. Without prejudice to other relevant provisions laid down in this Directive and in Regulation (EU) No 575/2013, competent authorities shall have all information gathering and investigatory powers that are necessary to detect those actions.	common behaviour, or optimisation of their submissions in stress tests. Without prejudice to other relevant provisions laid down in this Directive and in Regulation (EU) No 575/2013, competent authorities shall have all information gathering and investigatory powers that are necessary to detect those actions.	common behaviour, or optimisation of their submissions in stress tests. Without prejudice to other relevant provisions laid down in this Directive and in Regulation (EU) No 575/2013, competent authorities shall have all information gathering and investigatory powers that are necessary to detect those actions.
839	4. EBA, EIOPA and ESMA shall, through the Joint Committee referred to in Article 54 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, develop guidelines to ensure that consistency, long-term considerations and common standards for assessment methodologies are integrated into the stress testing of environmental, social and governance risks. Stress testing of environmental, social and governance risks by competent authorities should start with climate-related factors. EBA, EIOPA and ESMA shall, through the Joint Committee referred to in Article 54 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, explore how social and governance related risks can be integrated into stress testing.;	4. EBA, EIOPA and ESMA shall, through the Joint Committee referred to in Article 54 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, develop guidelines to ensure that consistency, long-term considerations and common standards for assessment methodologies are integrated into the stress testing of environmental, social and governance risks. <u><i>The Joint Committee shall publish those guidelines by ... [12 months from the date of entry into force of this amending Directive]</i></u> <del><i>Stress testing of environmental, social and governance risks by competent authorities should start with climate-related factors.</i></del> EBA, EIOPA and ESMA shall, through the Joint Committee referred to in Article 54 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, explore how social and governance related risks can be integrated into stress testing.;	4. EBA, EIOPA and ESMA shall, through the Joint Committee referred to in Article 54 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, develop guidelines to ensure that consistency, long-term considerations and common standards for assessment methodologies are integrated into the stress testing of environmental, social and governance risks. Stress testing of environmental, social and governance risks by competent authorities should start with climate-related factors. <b>The Joint Committee shall publish those guidelines by [OP please insert the date = 12 months from date of entry into force of this amending Directive].</b> EBA, EIOPA and ESMA shall, through the Joint Committee referred to in Article 54 of Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010, explore how <b>other environmental</b> , social and governance related risks can be integrated into stress testing.;

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839a			<b>(25a) in Article 101, paragraph 3 is replaced by the following:</b>
839b			" <b>3. If for an internal market risk model, results of backtesting or P&amp;L attribution test indicate for different trading desks that the model is not or is no longer sufficiently accurate, the competent authorities shall review the conditions for the permission for using the internal model or impose appropriate measures to ensure that the model is improved promptly.;</b> "
840	(25) Article 104 is amended as follows:	<del>(25)</del> <sup>26</sup> Article 104 is amended as follows:	<del>(25)</del> <sup>26</sup> Article 104 is amended as follows:
841	(a) paragraph 1 is amended as follows:	(a) paragraph 1 is amended as follows:	(a) paragraph 1 is amended as follows:
842	(i) the introductory sentence is replaced by the following:	(i) the introductory sentence is replaced by the following:	(i) the introductory sentence is replaced by the following:
843	‘ For the purposes of Article 97, Article 98(4)	‘ For the purposes of Article 97, Article 98(4)	‘ For the purposes of Article 97, Article 98(4)

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	and (5) and (9), Article 101(4) and Article 102 of this Directive and of the application of Regulation (EU) No 575/2013, competent authorities shall have at least the power to:’	and (5) and (9), Article 101(4) and Article 102 of this Directive and of the application of Regulation (EU) No 575/2013, competent authorities shall have at least the power to:’	and (5) and (9), Article 101(4) and Article 102 of this Directive and of the application of Regulation (EU) No 575/2013, competent authorities shall have at least the power to:’
843a			<b>(ii) point (e) is replaced by the following :</b>
843b			" <b>(e) restrict or limit the business, including with regard to the acceptance of deposits, operations or network of institutions or to request the divestment of activities that pose excessive risks to the soundness of an institution;’;</b> "
844	(ii) the following point (m) is added:	(ii) the following point (m) is added:	<del>(iii)</del> the following point (m) is added:
845	‘ (m) require institutions to reduce the risks arising from the institutions’ misalignment with relevant policy objectives of the Union and broader transition trends relating to environmental, social and governance factors over the short, medium and long term,	‘ (m) require institutions to reduce the risks arising from the institutions’ misalignment with relevant policy objectives of the Union and broader transition trends relating to environmental, social and governance factors over the short, medium and long term,	‘ (m) require institutions to reduce <b>material ESG</b> <del>the risks arising from the institutions’ misalignment with relevant policy objectives of the Union and broader</del> <b>in the short, medium and long-term, including those arising from the process of adjustment and</b> transition



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	including through adjustments to their business models, governance strategies and risk management.;	including through adjustments to their business models, governance strategies and risk management.;	trends <del>relating to environmental, social and governance factors over the short, medium and long term</del> <b>towards the relevant Member States, Union and third country legal and regulatory objectives in relation to environmental, social and governance factors</b> , including through <b>restricting or limiting their business</b> , adjustments to their business models, governance strategies and risk management, <b>or requiring institutions to review their strategies.</b> ';
845a		<i><u>(iia) the following point (ma) is added:</u></i>	
845b		" <i><u>(ma) require the reinforcement of the targets, measures, and actions included in the plans to be prepared in accordance with Article 76(2) where it is considered that the maintenance of the existing targets, measures, and actions poses material risks to the prudential soundness of an institution in the short, medium and long term time horizon.</u></i> "	
846	(b) the following paragraph 3 is added:	(b) the following paragraph 3 is added:	(b) the following paragraph 3 is added:

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847	<p>3. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify how competent authorities may identify that the credit valuation adjustment (CVA) risks of institutions, referred to in Article 381 of Regulation (EU) No 575/2013, pose excessive risks to the soundness of those institutions.;</p>	<p>3. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify how competent authorities may identify that the credit valuation adjustment (CVA) risks of institutions, referred to in Article 381 of Regulation (EU) No 575/2013, pose excessive risks to the soundness of those institutions.;</p>	<p>3. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify how competent authorities may identify that the credit valuation adjustment (CVA) risks of institutions, referred to in Article 381 of Regulation (EU) No 575/2013, pose excessive risks to the soundness of those institutions.;</p>
848	(26) Article 104a is amended as follows:	<del>(26)</del> Article 104a is amended as follows:	<del>(26)</del> Article 104a is amended as follows:
849	(a) in paragraph 3, the second subparagraph is replaced by the following:	(a) in paragraph 3, the second subparagraph is replaced by the following:	(a) in paragraph 3, the second subparagraph is replaced by the following:
850	<p>Where additional own funds are required to address the risk of excessive leverage not sufficiently covered by Article 92(1), point (d), of Regulation (EU) No 575/2013, competent authorities shall determine the level of the additional own funds required under paragraph 1, point (a), of this Article as the difference between the capital considered adequate pursuant to paragraph 2 of this Article, except for the fifth subparagraph thereof, and the</p>	<p>Where additional own funds are required to address the risk of excessive leverage not sufficiently covered by Article 92(1), point (d), of Regulation (EU) No 575/2013, competent authorities shall determine the level of the additional own funds required under paragraph 1, point (a), of this Article as the difference between the capital considered adequate pursuant to paragraph 2 of this Article, except for the fifth subparagraph thereof, and the</p>	<p>Where additional own funds are required to address the risk of excessive leverage not sufficiently covered by Article 92(1), point (d), of Regulation (EU) No 575/2013, competent authorities shall determine the level of the additional own funds required under paragraph 1, point (a), of this Article as the difference between the capital considered adequate pursuant to paragraph 2 of this Article, except for the fifth subparagraph thereof, and the</p>

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	relevant own funds requirements set out in Parts Three and Seven of Regulation (EU) No 575/2013.;	relevant own funds requirements set out in Parts Three and Seven of Regulation (EU) No 575/2013.;	relevant own funds requirements set out in Parts Three and Seven of Regulation (EU) No 575/2013.;
851	(b) the following paragraphs 6 and 7 are added:	(b) the following paragraphs 6 and 7 are added:	(b) the following paragraphs 6 and 7 are added:
852	6. Where an institution becomes bound by the output floor, the following shall apply:	6. Where an institution becomes bound by the output floor, the following shall apply <i>to avoid the double counting of risks in pillar II</i> :	6. Where an institution becomes bound by the output floor, the following shall apply:
853	(a) the nominal amount of additional own funds required by the institution's competent authority in accordance with Article 104(1), point (a), to address risks other than the risk of excessive leverage shall not increase as a result of the institutions' becoming bound by the output floor;	(a) the nominal amount of additional own funds required by the institution's competent authority in accordance with Article 104(1), point (a), to address risks other than the risk of excessive leverage shall not increase as a result of the institutions' becoming bound by the output floor;	(a) the nominal amount of additional own funds required by the institution's competent authority in accordance with Article 104(1), point (a), to address risks other than the risk of excessive leverage shall not increase as a result of the institutions' becoming bound by the output floor;
854	(b) the institution's competent authority shall, without undue delay, and no later than by the end date of the next review and evaluation process, review the additional own funds it required from the institution in accordance with	(b) the institution's competent authority shall, without undue delay, and no later than <del>by 6</del> <i>months before</i> the end date of the next review and evaluation process, review the additional own funds it required from the institution in	(b) the institution's competent authority shall, without undue delay, and no later than by the end date of the next review and evaluation process, review the additional own funds it required from the institution in accordance with

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	Article 104(1), point (a), and remove any parts thereof that would double-count the risks that are already fully covered by the fact that the institution is bound by the output floor.	accordance with Article 104(1), point (a), and remove any parts thereof that would double-count the risks that are already fully covered by the fact that the institution is bound by the output floor.	Article 104(1), point (a), and remove any parts thereof that would double-count the risks that are already fully covered by the fact that the institution is bound by the output floor.
854a		<u><i>As soon as the competent authority has completed the review in point (b), point (a) shall no longer apply.</i></u>	<b>(c) as soon as the competent authority has completed the review in point (b), point (a) shall no longer apply.</b>
854b		<u><i>In subsequent years, competent authorities shall take the above into account in the context of the regular supervisory review and evaluation process.</i></u>	
855	For the purposes of this Article and Articles 131 and 133 of this Directive, an institution shall be considered as bound by the output floor when the institution's total risk exposure amount calculated in accordance with Article 92(3), point (a), of Regulation (EU) No 575/2013 exceeds its un-floored total risk exposure amount calculated in accordance with Article 92(4) of that Regulation.	For the purposes of this Article and Articles 131 and 133 of this Directive, an institution shall be considered as bound by the output floor when the institution's total risk exposure amount calculated in accordance with Article 92(3), point (a), of Regulation (EU) No 575/2013 exceeds its un-floored total risk exposure amount calculated in accordance with Article 92(4) of that Regulation.	For the purposes of this Article and Articles 131 and 133 of this Directive, an institution shall be considered as bound by the output floor when the institution's total risk exposure amount calculated in accordance with Article 92(3), point (a), of Regulation (EU) No 575/2013 exceeds its un-floored total risk exposure amount calculated in accordance with Article 92(4) of that Regulation.
855a		<u><i>6a. EBA shall, by 30 June 2023, issue</i></u>	

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		<u><i>guidelines complementing its guidelines of 19 December 2014 on common procedures and methodology for the supervisory review and evaluation process, which shall further specify how to operationalise the requirements set out in paragraph 6, and in particular:</i></u>	
855b		<u><i>(a) how competent authorities shall reflect in their supervisory review and evaluation process the fact that an institution has become bound by the output floor;</i></u>	
855c		<u><i>(b) how competent authorities and institutions shall communicate and disclose the impact on supervisory requirements of an institution becoming bound by the output floor.</i></u>	
856	7. For the purposes of paragraph 2, as long as an institution is bound by the output floor, the institution's competent authority shall not impose an additional own funds requirement that would double-count the risks that are already fully covered by the fact that the institution is bound by the output floor.;	7. For the purposes of paragraph 2, as long as an institution is bound by the output floor, the institution's competent authority shall not impose an additional own funds requirement that would double-count the risks that are already fully covered by the fact that the institution is bound by the output floor.;	7. For the purposes of paragraph 2, as long as an institution is bound by the output floor, the institution's competent authority shall not impose an additional own funds requirement that would double-count the risks that are already fully covered by the fact that the institution is bound by the output floor.;

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856a		<u><i>(27a) in Article 104b, the following paragraph is inserted:</i></u>	
856b		“ <u><i>4a. Where an institution becomes bound by the output floor, its competent authority may review its guidance on additional funds communicated to the respective institution to make sure that its calibration remains appropriate.</i></u> ”	
857	(27) in Article 106, paragraph 1 is replaced by the following:	<del>(27)</del> in Article 106, paragraph 1 is replaced by the following:	<del>(27)</del> in Article 106, paragraph 1 is replaced by the following:
858	‘ 1. Member States shall empower the competent authorities to require institutions:	‘ 1. Member States shall empower the competent authorities to require institutions:	‘ 1. Member States shall empower the competent authorities <del>to require institutions:</del>
859	(a) to publish information referred to in Part Eight of Regulation (EU) No 575/2013 more than once per year, and to set deadlines for the submission of disclosure information by large and other institutions to EBA for its publication on a centralised EBA website;	(a) to publish information referred to in Part Eight of Regulation (EU) No 575/2013 more than once per year, <del>and to set deadlines for the submission of disclosure information by large and other institutions to EBA for its publication on a centralised EBA website;</del>	(a) <b>to require institutions</b> to publish information referred to in Part Eight of Regulation (EU) No 575/2013 <del>more than once</del> per year, and to set deadlines for the submission of disclosure information by large and other institutions to EBA for its publication

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			on a centralised EBA website more frequently than prescribed in Articles 433, 433a, 433b and 433c;
859a		<u>(aa) to set deadlines for the submission of disclosure information by institutions other than small and non-complex institutions to EBA for its publication on a centralised EBA website;</u>	
859b			<b>(b) to set deadlines for large institutions and other institutions subject to Article 433a and Article 433c of Regulation (EU) No 575/2013 to submit disclosure information to EBA for its publication on a centralised EBA website; if they have submitted the relevant information from Title II and III in Part Eight of Regulation (EU) No 575/2013, in electronic format to EBA, pursuant to Article 434(1) of that Regulation;</b>
860	(b) to use specific media and locations for publications other than the EBA website for centralised disclosures or the financial statements of institutions.;	(b) to use specific media and locations for publications other than the EBA website for centralised disclosures or the financial statements of institutions.;	<del>(b)</del> <b>(c) to require institutions to use specific media and locations for publications other than the EBA website for centralised disclosures or to publish their financial statements where they have submitted the relevant information required in Title II and III in Part Eight of Regulation (EU) No 575/2013,</b>

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			in electronic format to EBA, in accordance with Article 434(1) of that Regulation of institutions.;
860a			(ba) Notwithstanding point (a), Article 433 and Article 434 of Regulation (EU) No 575/2013 shall apply.;
860b		<u>EBA shall, taking into consideration the provisions included in Part Eight of Regulation (EU) No 575/2013, issue guidelines in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify the requirements set out in paragraph 1 of this Article. The EBA shall issue those guidelines by ... [12 months from the date of entry into force of this amending Directive].;</u>	
861	(28) Article 121 is replaced by the following:	<del>(2829)</del> Article 121 is replaced by the following:	<del>(2829)</del> Article 121 is replaced by the following:
862	Without prejudice to provisions applicable to financial holding company or mixed financial	Without prejudice to provisions applicable to financial holding company or mixed financial	Without prejudice to provisions applicable to financial holding company or mixed financial



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	holding approved in accordance with Article 21a(1), Member States shall require that the members of the management body of a financial holding company or mixed financial holding, be of sufficiently good repute and possess sufficient knowledge, skills and experience as referred to in Article 91(1) to perform those duties, taking into account the specific role of a financial holding company or mixed financial holding company.	holding approved in accordance with Article 21a(1), Member States shall require that the members of the management body of a financial holding company or mixed financial holding, be of sufficiently good repute and possess sufficient knowledge, skills and experience as referred to in Article 91(1) to perform those duties, taking into account the specific role of a financial holding company or mixed financial holding company.	<del>holding approved in accordance with Article 21a(1).</del> Member States shall require that the members of the management body of a financial holding company or mixed financial holding, <b>that are not approved in accordance with Article 21a(1)</b> , be of sufficiently good repute and possess sufficient knowledge, skills and experience as referred to in Article 91(1) to perform those duties, taking into account the specific role of a financial holding company or mixed financial holding company. <b>The financial holding companies or mixed financial holding companies shall have the primary responsibility for ensuring the suitability of the members of their management body.</b>
863	(29) In Title VII, Chapter 3, the following Section 0 is inserted:	<del>(29)</del> In Title VII, Chapter 3, the following Section 0 is inserted:	<del>(29)</del> In Title VII, Chapter 3, the following Section 0 is inserted:
864	Section 0	Section 0	Section 0
865	Application of this Chapter to investment firm groups	Application of this Chapter to investment firm groups	Application of this Chapter to investment firm groups

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866	Article 110a	Article 110a	Article 110a
867	Scope of application to investment firm groups	Scope of application to investment firm groups	Scope of application to investment firm groups
868	This Chapter applies to investment firm groups, as defined in Article 4(1), point (25) of Regulation (EU) 2019/2033 of the European Parliament and of the Council*, where at least one investment firm in that group is subject to Regulation (EU) No 575/2013 pursuant to Article 1(2) of Regulation (EU) 2019/2033* <sup>14</sup> .	This Chapter applies to investment firm groups, as defined in Article 4(1), point (25) of Regulation (EU) 2019/2033 of the European Parliament and of the Council*, where at least one investment firm in that group is subject to Regulation (EU) No 575/2013 pursuant to Article 1(2) of Regulation (EU) 2019/2033* <sup>14</sup> .	This Chapter applies to investment firm groups, as defined in Article 4(1), point (25) of Regulation (EU) 2019/2033 <del>of the European Parliament and of the Council*</del> , where at least one investment firm in that group is subject to Regulation (EU) No 575/2013 pursuant to Article 1(2) <b>or 1(5)</b> of Regulation (EU) 2019/2033* <sup>14</sup> * <sup>14</sup> .  <b>*14. Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (OJ L 314, 5.12.2019, p. 1).</b>
869	This Chapter does not apply to investment firm groups where no investment firm in that group is subject to Regulation (EU) No 575/2013 pursuant to Article 1(2) of Regulation (EU) 2019/2033.’;	This Chapter does not apply to investment firm groups where no investment firm in that group is subject to Regulation (EU) No 575/2013 pursuant to Article 1(2) of Regulation (EU) 2019/2033.’;	This Chapter does not apply to investment firm groups where no investment firm in that group is subject to Regulation (EU) No 575/2013 pursuant to Article 1(2) <b>or 1(5)</b> of Regulation (EU) 2019/2033.’;
870			

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	_____	_____	<i>deleted</i>
871	*14 Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (OJ L 314, 5.12.2019, p. 1).;	*14 Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (OJ L 314, 5.12.2019, p. 1).;	<i>deleted</i>
872	(30) Article 131 is amended as follows:	<del>(30)</del> Article 131 is amended as follows:	<del>(30)</del> Article 131 is amended as follows:
873	(a) in paragraph 5, the following subparagraph is added:	(a) in paragraph 5, the following subparagraph is added:	<i>deleted</i>
874	Where an O-SII becomes bound by the output floor, its competent or designated authority, as applicable, shall review the institutions O-SII buffer requirement to make sure that its calibration remains appropriate.;	Where an O-SII becomes bound by the output floor, its competent or designated authority, as applicable, <del>shall</del> <i>may</i> review the institutions O-SII buffer requirement to make sure that its calibration remains appropriate.;	<i>deleted</i>
875			

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	(b) in paragraph 5a, the second sub-paragraph is replaced by the following:	(b) in paragraph 5a, the second sub-paragraph is replaced by the following:	<del>(b)</del> (a) in paragraph 5a, the second sub-paragraph is replaced by the following:
876	‘ Within six weeks of receipt of the notification referred to in paragraph 7 of this Article, the ESRB shall provide the Commission with an opinion as to whether the O-SII buffer is deemed appropriate. EBA may also provide the Commission with its opinion on the buffer in accordance with Article 16a(1) of Regulation (EU) No 1093/2010.; ’	‘ Within six weeks of receipt of the notification referred to in paragraph 7 of this Article, the ESRB shall provide the Commission with an opinion as to whether the O-SII buffer is deemed appropriate. EBA may also provide the Commission with its opinion on the buffer in accordance with Article 16a(1) of Regulation (EU) No 1093/2010.; ’	‘ Within six weeks of receipt of the notification referred to in paragraph 7 of this Article, the ESRB shall provide the Commission with an opinion as to whether the O-SII buffer is deemed appropriate. EBA may also provide the Commission with its opinion on the buffer in accordance with Article 16a(1) of Regulation (EU) No 1093/2010.; ’
876a			<b>(b) in paragraph 6, point b) is replaced by the following:</b>
876b			" <b>(b) the O-SII buffer must be reviewed by the competent authority or the designated authority at least annually;</b> ”
876c			<b>(c) in paragraph 6, the following point c) is added:</b>

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876d			" <b>where an O-SII becomes bound by the output floor, its competent or designated authority, as applicable, shall review, by no later than the date of the annual review mandated under point (b), the institution's O-SII buffer requirement to make sure that its calibration remains appropriate.</b> "; "
877	(c) in paragraph 15, the first subparagraph is replaced by the following:	<i>deleted</i>	<del>(c)</del> (d) in paragraph 15, the <del>first</del> <b>second</b> subparagraph is replaced by the following:
878	Where the sum of the systemic risk buffer rate as calculated for the purposes of paragraph 10, 11 or 12 of Article 133 and the O-SII buffer rate or the G-SII buffer rate to which the same institution is subject to would be higher than 5 %, the procedure set out in paragraph 5a of this Article shall apply. For the purposes of this paragraph, where the decision to set a systemic risk buffer, O-SII buffer or G-SII buffer results in a decrease or no change from any of the previously set rates, the procedure set out in paragraph 5a of this Article shall not apply.;	<i>deleted</i>	Where the sum of the systemic risk buffer rate as calculated for the purposes of paragraph 10, 11 or 12 of Article 133 and the O-SII buffer rate or the G-SII buffer rate to which the same institution is subject to would be higher than 5 %, the procedure set out in paragraph 5a of this Article shall apply. For the purposes of this paragraph, where the decision to set a systemic risk buffer, O-SII buffer or G-SII buffer results in a decrease or no change from any of the previously set rates, the procedure set out in paragraph 5a of this Article shall not apply.;

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879	(31) Article 133 is amended as follows:	<del>(31)</del> Article 133 is amended as follows:	<del>(31)</del> Article 133 is amended as follows:
880	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:	(a) paragraph 1 is replaced by the following:
881	<p>1. Each Member State shall ensure that it is possible to set a systemic risk buffer of Common Equity Tier 1 capital for the financial sector or one or more subsets of that sector on all or a subset of exposures as referred to in paragraph 5 of this Article, in order to prevent and mitigate macroprudential or systemic risks not covered by Regulation (EU) No 575/2013 and by Articles 130 and 131 of this Directive, in the meaning of a risk of disruption in the financial system with the potential to have serious negative consequences to the financial system and the real economy in a specific Member State.;</p>	<p>1. <u>1.</u> Each Member State shall ensure that it is possible to set a systemic risk buffer of Common Equity Tier 1 capital for the financial sector or one or more subsets of that sector on all or a subset of exposures as referred to in paragraph 5 of this Article, in order to prevent and mitigate macroprudential or systemic risks not covered by Regulation (EU) No 575/2013 and by Articles 130 and 131 of this Directive, <u>including climate change risks</u>, in the meaning of a risk of disruption in the financial system with the potential to have serious negative consequences to the financial system and the real economy in a specific Member State.;</p>	<p>1. Each Member State shall ensure that it is possible to set a systemic risk buffer of Common Equity Tier 1 capital for the financial sector or one or more subsets of that sector on all or a subset of exposures as referred to in paragraph 5 of this Article, in order to prevent and mitigate macroprudential or systemic risks not covered by Regulation (EU) No 575/2013 and by Articles 130 and 131 of this Directive, in the meaning of a risk of disruption in the financial system with the potential to have serious negative consequences to the financial system and the real economy in a specific Member State. ';</p>
882	(b) the following paragraph 2a is inserted:	(b) the following paragraph 2a is inserted:	(b) the following paragraph 2a is inserted:
883	<p>2a. Where an institution is bound by the output</p>	<p>2a. Where an institution is bound by the output</p>	<p>2a. Where an institution is bound by the output</p>

	Commission Proposal	EP Mandate	Council Mandate
	floor, both of the following shall apply:	floor, both of the following shall apply:	floor, both of the following shall apply:
884	(a) the amount of CET1 capital it is required to have in accordance with the first subparagraph shall be capped by the following amount:	(a) the amount of CET1 capital it is required to have in accordance with the first subparagraph shall be capped by the following amount:	(a) the amount of CET1 capital it is required to have in accordance with <del>the first subparagraph</del> <b>paragraph 2</b> shall be capped by the following amount:
885			
886	where:	where:	where:
887	$E_T$ = the un-floored total risk exposure amount of the institution calculated in accordance with Article 92(4) of Regulation (EU) No 575/2013’;	$E_T$ = the un-floored total risk exposure amount of the institution calculated in accordance with Article 92(4) of Regulation (EU) No 575/2013’;	$E_T$ = the un-floored total risk exposure amount of the institution calculated in accordance with Article 92(4) of Regulation (EU) No 575/2013’;
888	$E_i$ = the un-floored risk exposure amount of the institution for the subset of exposures $i$ calculated in accordance with Article 92(4) of Regulation (EU) No 575/2013;	$E_i$ = the un-floored risk exposure amount of the institution for the subset of exposures $i$ calculated in accordance with Article 92(4) of Regulation (EU) No 575/2013;	$E_i$ = the un-floored risk exposure amount of the institution for the subset of exposures $i$ calculated in accordance with Article 92(4) of Regulation (EU) No 575/2013;
889	$r_T$ , $r_i$ = $r_T$ and $r_i$ as defined in the first subparagraph.	$r_T$ , $r_i$ = $r_T$ and $r_i$ as defined in the first subparagraph.	<del><math>r_T</math>, <math>r_i</math>= <math>r_T</math> and <math>r_i</math> as defined in the first subparagraph</del> <b>paragraph 2</b> .

	Commission Proposal	EP Mandate	Council Mandate
890	(b) the competent or designated authority, as applicable, shall review without undue delay the calibration of the systemic risk buffer rate or rates, as applicable, to ensure they remain appropriate and do not double-count the risks that are already covered by the fact that the institution is bound by the output floor.	(b) the competent or designated authority, as applicable, <del>shall</del> <b>may</b> review <del>without undue delay</del> the calibration of the systemic risk buffer rate or rates, as applicable, to ensure they remain appropriate and do not double-count the risks that are already covered by the fact that the institution is bound by the output floor.	(b) the competent or designated authority, as applicable, shall review without undue delay the calibration of the systemic risk buffer rate or rates, as applicable, to ensure they remain appropriate and do not double-count the risks that are already covered by the fact that the institution is bound by the output floor.
891	The calculation in point (a) shall apply until the designated authority has completed the revision set out in point (b) and has published a new decision on the calibration of the systemic risk buffer rate or rates in accordance with the procedure set out in this Article. As of that moment, the cap in point (a) shall no longer apply.;	The calculation in point (a) shall apply until the designated authority has completed the revision set out in point (b) and has published a new decision on the calibration of the systemic risk buffer rate or rates in accordance with the procedure set out in this Article. As of that moment, the cap in point (a) shall no longer apply.;	The calculation in point (a) shall apply until the <b>competent or designated authority, as applicable,</b> has completed the revision set out in point (b) and has published a new decision on the calibration of the systemic risk buffer rate or rates in accordance with the procedure set out in this Article. As of that moment, the cap in point (a) shall no longer apply.?’;
892	(c) in paragraph 8, point (c) is replaced by the following:	(c) in paragraph 8, point (c) is replaced by the following:	(c) in paragraph 8, point (c) is replaced by the following:
893	(c) the systemic risk buffer is not to be used to address any of the following:	(c) the systemic risk buffer is not to be used to address any of the following:	(c) the systemic risk buffer is not to be used to address any of the following:



	Commission Proposal	EP Mandate	Council Mandate
894	(i) risks that are covered by Articles 130 and 131;	(i) risks that are covered by Articles 130 and 131;	(i) risks that are covered by Articles 130 and 131;
895	(ii) risks that are fully covered by the calculation set out in Article 92(3) of Regulation (EU) No 575/2013.;	(ii) risks that are fully covered by the calculation set out in Article 92(3) of Regulation (EU) No 575/2013.;	(ii) risks that are fully covered by the calculation set out in Article 92(3) of Regulation (EU) No 575/2013.;
896	(d) in paragraph 9, the following point (g) is added:	<i>deleted</i>	(d) in paragraph 9, the following point (g) is added:
897	‘ (g) how the calculation set out in Article 92(3) of Regulation (EU) No 575/2013 affects the calibration of the systemic risk buffer rate or rates, as applicable, that the competent authority or the designated authority, as applicable, intends to impose.; ’	<i>deleted</i>	‘ (g) how the calculation set out in Article 92(3) of Regulation (EU) No 575/2013 affects the calibration of the systemic risk buffer rate or rates, as applicable, that the competent authority or the designated authority, as applicable, intends to impose.; ’
898	(e) paragraphs 11 and 12 are replaced by the following:	(e) paragraphs 11 and 12 are replaced by the following:	(e) paragraphs 11 and 12 are replaced by the following:

	Commission Proposal	EP Mandate	Council Mandate
899	<p>11. Where the setting or resetting of a systemic risk buffer rate or rates on any set or subset of exposures referred to in paragraph 5 subject to one or more systemic risk buffers results in a combined systemic risk buffer rate at a level higher than 3 % and up to 5 % for any of those exposures, the competent authority or the designated authority of the Member State that sets that buffer shall request in the notification submitted in accordance with paragraph 9 the opinions of the Commission and the ESRB.</p>	<p>11. Where the setting or resetting of a systemic risk buffer rate or rates on any set or subset of exposures referred to in paragraph 5 subject to one or more systemic risk buffers results in a combined systemic risk buffer rate at a level higher than 3 % and up to 5 % for any of those exposures, the competent authority or the designated authority of the Member State that sets that buffer shall request in the notification submitted in accordance with paragraph 9 the opinions of the Commission and the ESRB.</p>	<p>11. Where the setting or resetting of a systemic risk buffer rate or rates on any set or subset of exposures referred to in paragraph 5 subject to one or more systemic risk buffers results in a combined systemic risk buffer rate at a level higher than 3 % and up to 5 % for any of those exposures, the competent authority or the designated authority of the Member State that sets that buffer shall request in the notification submitted in accordance with paragraph 9 the opinions of the Commission and the ESRB.</p>
900	<p>Within a month of receipt of the notification referred to in paragraph 9, the ESRB shall provide the Commission with an opinion as to whether the systemic risk buffer rate or rates is deemed appropriate. Within two months of receipt of the notification, the Commission, taking into account the assessment of the ESRB, shall provide its opinion as to whether it considers that the systemic risk buffer rate or rates do not entail disproportionate adverse effects on the whole or parts of the financial system of other Member States or of the Union as a whole forming or creating an obstacle to the proper functioning of the internal market.</p>	<p>Within a month of receipt of the notification referred to in paragraph 9, the ESRB shall provide the Commission with an opinion as to whether the systemic risk buffer rate or rates is deemed appropriate. Within two months of receipt of the notification, the Commission, taking into account the assessment of the ESRB, shall provide its opinion as to whether it considers that the systemic risk buffer rate or rates do not entail disproportionate adverse effects on the whole or parts of the financial system of other Member States or of the Union as a whole forming or creating an obstacle to the proper functioning of the internal market.</p>	<p>Within a month of receipt of the notification referred to in paragraph 9, the ESRB shall provide the Commission with an opinion as to whether the systemic risk buffer rate or rates is deemed appropriate. Within two months of receipt of the notification, the Commission, taking into account the assessment of the ESRB, shall provide its opinion as to whether it considers that the systemic risk buffer rate or rates do not entail disproportionate adverse effects on the whole or parts of the financial system of other Member States or of the Union as a whole forming or creating an obstacle to the proper functioning of the internal market.</p>
901	<p>Where the opinion of the Commission is</p>	<p>Where the opinion of the Commission is</p>	<p>Where the opinion of the Commission is</p>

	Commission Proposal	EP Mandate	Council Mandate
	negative, the competent authority or the designated authority, as applicable, of the Member State that sets that systemic risk buffer shall comply with that opinion or give reasons for not doing so.	negative, the competent authority or the designated authority, as applicable, of the Member State that sets that systemic risk buffer shall comply with that opinion or give reasons for not doing so.	negative, the competent authority or the designated authority, as applicable, of the Member State that sets that systemic risk buffer shall comply with that opinion or give reasons for not doing so.
902	Where one or more institutions to which one or more systemic risk buffer rates apply is a subsidiary the parent of which is established in another Member State, the ESRB and the Commission shall also consider in their opinions whether applying the systemic risk buffer rate or rates to those institutions is deemed appropriate.	Where one or more institutions to which one or more systemic risk buffer rates apply is a subsidiary the parent of which is established in another Member State, the ESRB and the Commission shall also consider in their opinions whether applying the systemic risk buffer rate or rates to those institutions is deemed appropriate.	Where one or more institutions to which one or more systemic risk buffer rates apply is a subsidiary the parent of which is established in another Member State, <del>the ESRB and the Commission shall also consider in their opinions whether applying the systemic risk buffer rate or rates to those institutions is deemed appropriate.</del>
903	Where the authorities of the subsidiary and of the parent disagree on the systemic risk buffer rate or rates applicable to that institution and in the case of a negative opinion of both the Commission and the ESRB, the competent authority or the designated authority, as applicable, may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010. The decision to set the systemic risk buffer rate or rates for those exposures shall be suspended until EBA has taken a decision.	Where the authorities of the subsidiary and of the parent disagree on the systemic risk buffer rate or rates applicable to that institution and in the case of a negative opinion of both the Commission and the ESRB, the competent authority or the designated authority, as applicable, may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010. The decision to set the systemic risk buffer rate or rates for those exposures shall be suspended until EBA has taken a decision.	<b>in the case</b> where the authorities of the subsidiary and of the parent disagree on the systemic risk buffer rate or rates applicable to that institution and in the case of a negative opinion of both the Commission and the ESRB, the competent authority or the designated authority, as applicable, may refer the matter to EBA and request its assistance in accordance with Article 19 of Regulation (EU) No 1093/2010. The decision to set the systemic risk buffer rate or rates for those exposures shall be suspended until EBA has taken a decision.

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
904	For the purposes of this paragraph, the recognition of a systemic risk buffer rate set by another Member State in accordance with Article 134 shall not count towards the thresholds referred to in the first subparagraph of this paragraph.	For the purposes of this paragraph, the recognition of a systemic risk buffer rate set by another Member State in accordance with Article 134 shall not count towards the thresholds referred to in the first subparagraph of this paragraph.	For the purposes of this paragraph, the recognition of a systemic risk buffer rate set by another Member State in accordance with Article 134 shall not count towards the thresholds referred to in the first subparagraph of this paragraph.
905	12. Where the setting or resetting of a systemic risk buffer rate or rates on any set or subset of exposures referred to in paragraph 5 subject to one or more systemic risk buffers results in a combined systemic risk buffer rate higher than 5 % for any of those exposures, the competent authority or the designated authority, as applicable, shall seek the authorisation of the Commission before implementing a systemic risk buffer.	12. Where the setting or resetting of a systemic risk buffer rate or rates on any set or subset of exposures referred to in paragraph 5 subject to one or more systemic risk buffers results in a combined systemic risk buffer rate higher than 5 % for any of those exposures, the competent authority or the designated authority, as applicable, shall seek the authorisation of the Commission before implementing a systemic risk buffer.	12. Where the setting or resetting of a systemic risk buffer rate or rates on any set or subset of exposures referred to in paragraph 5 subject to one or more systemic risk buffers results in a combined systemic risk buffer rate higher than 5 % for any of those exposures, the competent authority or the designated authority, as applicable, shall seek the authorisation of the Commission before implementing a systemic risk buffer.
906	Within six weeks of receipt of the notification referred to in paragraph 9 of this Article, the ESRB shall provide the Commission with an opinion as to whether the systemic risk buffer is deemed appropriate. EBA may also provide the Commission with its opinion on that systemic risk buffer in accordance with Article 16a(1) of Regulation (EU) No 1093/2010, within six weeks of receipt of the notification.	Within six weeks of receipt of the notification referred to in paragraph 9 of this Article, the ESRB shall provide the Commission with an opinion as to whether the systemic risk buffer is deemed appropriate. EBA may also provide the Commission with its opinion on that systemic risk buffer in accordance with Article 16a(1) of Regulation (EU) No 1093/2010, within six weeks of receipt of the notification.	Within six weeks of receipt of the notification referred to in paragraph 9 of this Article, the ESRB shall provide the Commission with an opinion as to whether the systemic risk buffer is deemed appropriate. EBA may also provide the Commission with its opinion on that systemic risk buffer in accordance with Article 16a(1) of Regulation (EU) No 1093/2010, within six weeks of receipt of the notification.

	Commission Proposal	EP Mandate	Council Mandate
907	<p>Within three months of receipt of the notification referred to in paragraph 9, the Commission, taking into account the assessment of the ESRB and EBA, where relevant, and where it is satisfied that the systemic risk buffer rate or rates do not entail disproportionate adverse effects on the whole or parts of the financial system of other Member States or of the Union as a whole forming or creating an obstacle to the proper functioning of the internal market, shall adopt an act authorising the competent authority or the designated authority, as applicable, to adopt the proposed measure.</p>	<p>Within three months of receipt of the notification referred to in paragraph 9, the Commission, taking into account the assessment of the ESRB and EBA, where relevant, and where it is satisfied that the systemic risk buffer rate or rates do not entail disproportionate adverse effects on the whole or parts of the financial system of other Member States or of the Union as a whole forming or creating an obstacle to the proper functioning of the internal market, shall adopt an act authorising the competent authority or the designated authority, as applicable, to adopt the proposed measure.</p>	<p>Within three months of receipt of the notification referred to in paragraph 9, the Commission, taking into account the assessment of the ESRB and EBA, where relevant, and where it is satisfied that the systemic risk buffer rate or rates do not entail disproportionate adverse effects on the whole or parts of the financial system of other Member States or of the Union as a whole forming or creating an obstacle to the proper functioning of the internal market, shall adopt an act authorising the competent authority or the designated authority, as applicable, to adopt the proposed measure.</p>
908	<p>For the purposes of this paragraph, the recognition of a systemic risk buffer rate set by another Member State in accordance with Article 134 shall not count towards the threshold referred to in the first subparagraph of this paragraph.;</p>	<p>For the purposes of this paragraph, the recognition of a systemic risk buffer rate set by another Member State in accordance with Article 134 shall not count towards the threshold referred to in the first subparagraph of this paragraph.;</p>	<p>For the purposes of this paragraph, the recognition of a systemic risk buffer rate set by another Member State in accordance with Article 134 shall not count towards the threshold referred to in the first subparagraph of this paragraph.;</p>
909	<p>(32) Article 142 is amended as follows:</p>	<p><del>(32)</del> Article 142 is amended as follows:</p>	<p><del>(32)</del> Article 142 is amended as follows:</p>
910	<p>(a) in paragraph 2, point (c) is replaced by the following:</p>	<p>(a) in paragraph 2, point (c) is replaced by the following:</p>	<p>(a) in paragraph 2, point (c) is replaced by the following:</p>

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
911	‘ (c) a plan and timeframe for the increase of own funds with the objective of meeting fully the combined buffer requirement or, where applicable, the leverage ratio buffer requirement;;	‘ (c) a plan and timeframe for the increase of own funds with the objective of meeting fully the combined buffer requirement or, where applicable, the leverage ratio buffer requirement;;	‘ (c) a plan and timeframe for the increase of own funds with the objective of meeting fully the combined buffer requirement or, where applicable, the leverage ratio buffer requirement;;
912	(b) paragraph 3 is replaced by the following:	(b) paragraph 3 is replaced by the following:	(b) paragraph 3 is replaced by the following:
913	‘ 3. The competent authority shall assess the capital conservation plan, and shall approve the plan only if it considers that the plan, if implemented, would be reasonably likely to conserve or raise sufficient capital to enable the institution to meet its combined buffer requirement or, where applicable, its leverage ratio buffer requirement within a period which the competent authority considers appropriate.;	‘ 3. The competent authority shall assess the capital conservation plan, and shall approve the plan only if it considers that the plan, if implemented, would be reasonably likely to conserve or raise sufficient capital to enable the institution to meet its combined buffer requirement or, where applicable, its leverage ratio buffer requirement within a period which the competent authority considers appropriate.;	‘ 3. The competent authority shall assess the capital conservation plan, and shall approve the plan only if it considers that the plan, if implemented, would be reasonably likely to conserve or raise sufficient capital to enable the institution to meet its combined buffer requirement or, where applicable, its leverage ratio buffer requirement within a period which the competent authority considers appropriate.;
914	(c) in paragraph 4, point (b) is replaced by the following:	(c) in paragraph 4, point (b) is replaced by the following:	(c) in paragraph 4, point (b) is replaced by the following:

	Commission Proposal	EP Mandate	Council Mandate
915	‘ (b) exercise its powers under Article 102 to impose more stringent restrictions on distributions than those required by Articles 141 and 141b, as applicable.; ’	‘ (b) exercise its powers under Article 102 to impose more stringent restrictions on distributions than those required by Articles 141 and 141b, as applicable.; ’	‘ (b) exercise its powers under Article 102 to impose more stringent restrictions on distributions than those required by Articles 141 and 141b, as applicable.; ’
915a		<u><i>(33a) in Article 145, the following point is added:</i></u>	
915b		“ <u><i>(ia) content and format of the transition plans referred to in Article 76 to ensure a consistent application of this Directive.’;</i></u> ”	
916	(33) in Article 161, paragraph 3 is deleted.	<del>(33)</del> in Article 161, paragraph 3 is deleted.	<del>(33)</del> in Article 161, paragraph 3 is deleted.
917	Article 2 Amendments to Directive 2014/59/EU	Article 2 Amendments to Directive 2014/59/EU	Article 2 Amendments to Directive 2014/59/EU
918	Directive 2014/59/EU* <sup>15</sup> is amended as follows:	Directive 2014/59/EU* <sup>15</sup> is amended as follows:	Directive 2014/59/EU* <sup>15</sup> is amended as follows:

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
919	(1) in Article 27, the following paragraphs 6, 7 and 8 are added:	(1) in Article 27, the following paragraphs 6, 7 and 8 are added:	<i>deleted</i>
920	6. When new members of the management body or senior management are appointed under this Article and Article 28 of this Directive, Member States shall ensure that competent authorities carry out the assessment of the members of the management body as required by Article 91b(1) of Directive 2013/36/EU and of the key function holders as required by Article 91d(1) of that Directive only after they take up their position.	6. When new members of the management body or senior management are appointed under this Article and Article 28 of this Directive, Member States shall ensure that competent authorities carry out the assessment of the members of the management body as required by Article 91b(1) of Directive 2013/36/EU and of the key function holders as required by Article 91d(1) of that Directive only after they take up their position.	<i>deleted</i>
921	Article 91a(2) and Article 91c(2) of Directive 2013/36/EU shall not apply to the appointment of new members of the management body or senior management referred to in the first subparagraph.	Article 91a(2) and Article 91c(2) of Directive 2013/36/EU shall not apply to the appointment of new members of the management body or senior management referred to in the first subparagraph.	<i>deleted</i>
922	7. Competent authorities shall ensure that they perform the assessments referred to in paragraph 6 without undue delay. They shall complete the assessments at the latest 20 working days from the date they receive the notification of appointment.	7. Competent authorities shall ensure that they perform the assessments referred to in paragraph 6 without undue delay. They shall complete the assessments at the latest 20 working days from the date they receive the notification of appointment.	<i>deleted</i>



	Commission Proposal	EP Mandate	Council Mandate
923	8. Competent authorities shall inform the resolution authority without undue delay about the outcome of the assessments referred to in paragraph 6.;	8. Competent authorities shall inform the resolution authority without undue delay about the outcome of the assessments referred to in paragraph 6.;	<i>deleted</i>
924	(2) in Article 34, the following paragraphs 7, 8 and 9 are added:	(2) in Article 34, the following paragraphs 7, 8 and 9 are added:	<i>deleted</i>
925	7. When new members of the management body or senior management are appointed under this Article and Article 63 of this Directive, Member States shall ensure that competent authorities carry out the assessment of the members of the management body as required by Article 91b(1) of Directive 2013/36/EU and of the key function holders as required by Article 91d(1) of that Directive only after they take up their position.	7. When new members of the management body or senior management are appointed under this Article and Article 63 of this Directive, Member States shall ensure that competent authorities carry out the assessment of the members of the management body as required by Article 91b(1) of Directive 2013/36/EU and of the key function holders as required by Article 91d(1) of that Directive only after they take up their position.	<i>deleted</i>
926	Article 91a(2) and Article 91c(2) of Directive 2013/36/EU shall not apply to the appointment of new members of the management body or senior management referred to in the first	Article 91a(2) and Article 91c(2) of Directive 2013/36/EU shall not apply to the appointment of new members of the management body or senior management referred to in the first	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	subparagraph.	subparagraph.	
927	The first and second subparagraphs shall also apply to the assessment of the members of the management body of the bridge institution appointed under Article 41 immediately after taking resolution action.	The first and second subparagraphs shall also apply to the assessment of the members of the management body of the bridge institution appointed under Article 41 immediately after taking resolution action.	<i>deleted</i>
928	8. Competent authorities shall ensure that they perform the assessments referred to in paragraph 7 without undue delay. They shall complete the assessments at the latest 20 working days from the date they receive the notification of appointment.	8. Competent authorities shall ensure that they perform the assessments referred to in paragraph 7 without undue delay. They shall complete the assessments at the latest 20 working days from the date they receive the notification of appointment.	<i>deleted</i>
929	9. Competent authorities shall inform the resolution authority without undue delay about the outcome of the assessments referred to in paragraph 7.?’;	9. Competent authorities shall inform the resolution authority without undue delay about the outcome of the assessments referred to in paragraph 7.?’;	<i>deleted</i>
930	_____	_____	<i>deleted</i>
931	*15 Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014	*15 Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014	<i>deleted</i>

	Commission Proposal	EP Mandate	Council Mandate
	establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173 12.6.2014, p. 190)	establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council (OJ L 173 12.6.2014, p. 190)	
931a			<b>(1) in Article 45c paragraph 2, the following subparagraph is added:</b>
931b			<p>"</p> <p><b>1. Articles 77(2) and 78a of Regulation (EU) No 575/2013 shall not apply to eligible liabilities issued by entities for which the resolution authority has set the requirement referred to in Article 45(1) of this Directive at a level that does not exceed the amount sufficient to absorb losses in accordance with the first subparagraph, point (a), of this paragraph.;</b></p> <p>"</p>
932	Article 3	Article 3	Article 3

	Commission Proposal	EP Mandate	Council Mandate
	Transposition	Transposition	Transposition
933	1. Member States shall adopt and publish by [OP please insert the date = 18 months from the date of entry into force of this amending Directive] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.	1. Member States shall adopt and publish by [OP please insert the date = 18 months from the date of entry into force of this amending Directive] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.	1. Member States shall adopt and publish by [OP please insert the date = 18 months from the date of entry into force of this amending Directive] at the latest, the laws, regulations and administrative provisions necessary to comply with this Directive. They shall forthwith communicate to the Commission the text of those provisions.
934	They shall apply those provisions from [OP please insert the date = 1 day after the transposition date of this amending Directive].	They shall apply those provisions from [OP please insert the date = 1 day after the transposition date of this amending Directive].	They shall apply those provisions from [OP please insert the date = 1 day after the transposition date of this amending Directive].
934a			<b>By way of derogation from the preceding subparagraph, Member States may apply the provision concerning own funds and eligible liabilities in Article 2 point (1) of this Directive from [OP please insert the date = 6 months after the entry into force of this amending Directive].</b>
935	However, the provisions necessary to comply with the amendments set out in Article 1, point (8), on the prudential supervision of third	However, the provisions necessary to comply with the amendments set out in Article 1, point (8), on the prudential supervision of third	However, the provisions necessary to comply with the amendments set out in Article 1, point (8), on the prudential supervision of third

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	country branches shall apply from [OP please insert the date = 12 months from date of application of this amending Directive].	country branches shall apply from [OP please insert the date = 12 months from date of application of this amending Directive].	country branches shall apply from [OP please insert the date = <del>12</del> 24 months from date of application of this amending Directive].
936	By derogation from the preceding subparagraph, Member States shall apply the provisions on reporting on third country branches in Title VI, Chapter 1, Section II, Sub-section 4 of Directive 2013/36/EU, as inserted by this Directive, from the date of application laid down in the second subparagraph of this Article.	By derogation from the preceding subparagraph, Member States shall apply the provisions on reporting on third country branches in Title VI, Chapter 1, Section II, Sub-section 4 of Directive 2013/36/EU, as inserted by this Directive, from the date of application laid down in the second subparagraph of this Article.	By derogation from the preceding subparagraph, Member States shall apply the provisions on reporting on third country branches in Title VI, Chapter 1, Section II, Sub-section 4 of Directive 2013/36/EU, as inserted by this Directive, from the date of application laid down in the second subparagraph of this Article.
937	When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.	When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.	When Member States adopt those provisions, they shall contain a reference to this Directive or be accompanied by such a reference on the occasion of their official publication. Member States shall determine how such reference is to be made.
938	2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.	2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.	2. Member States shall communicate to the Commission the text of the main provisions of national law which they adopt in the field covered by this Directive.
939	Article 4	Article 4	Article 4

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
	Entry into force	Entry into force	Entry into force
940	This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.	This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.
941	Article 5 Addressees	Article 5 Addressees	Article 5 Addressees
942	This Directive is addressed to the Member States.	This Directive is addressed to the Member States.	This Directive is addressed to the Member States.
943	Done at Brussels,	Done at Brussels,	Done at Brussels,
944	For the European Parliament	For the European Parliament	For the European Parliament
945	The President	The President	The President
946	For the Council	For the Council	For the Council

	<b>Commission Proposal</b>	<b>EP Mandate</b>	<b>Council Mandate</b>
947	The President	The President	The President

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