

EBA/CP/2025/25

5 December 2025

Consultation Paper

Draft Regulatory Technical Standards on the minimum information to be provided, the common assessment methodology of assessment criteria and process applicable to the notification and the prudential assessment of acquisitions of a material holding, material transfer of assets or liabilities, mergers and divisions under Article 27b(7) of Directive 2023/36/EU, and amending Commission Delegated Regulation (EU) No 2022/2580

Draft Implementing Technical Standards on common procedures, forms and templates for the consultation process between the relevant competent authorities under Articles 27c and 27k of Directive 2013/36/EU

Contents

1. Responding to this consultation	3
2. Executive Summary	4
3. Background and rationale	8
4. Draft regulatory and implementing technical standards	17
5. Accompanying documents	72
5.1 Draft cost-benefit analysis / impact assessment	72
5.2 Overview of questions for consultation	81

1. Responding to this consultation

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

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by 05/03/2025. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the [Legal notice section](#) of the EBA website.

2. Executive Summary

1. Overview

Directive (EU) 2024/1619 (CRD6), amending Directive 2013/36/EU the capital requirements Directive (CRD), introduces three new supervisory tools in relation to material operations carried out by credit institutions, financial holding companies (FHC) or mixed financial holding companies (MFHC) under Article 21a(1) CRD. The new supervisory tools cover: (a) acquisitions of material holdings in financial or non-financial sector entities, (b) material transfer of assets and liabilities; and (c) mergers and divisions.

The European Banking Authority (EBA) is mandated by Article 27b(7) CRD to develop regulatory technical standards (RTS) to further specify aspects of these material operations (**the draft RTS**), namely:

- a. the minimum list of information to be provided for material acquisitions, material transfers of assets and liabilities, mergers and divisions;
- b. a common assessment methodology of the criteria set out for the supervisory scrutiny of material acquisitions, mergers and divisions; and
- c. the process applicable to notification and the prudential assessment required for the tools on material acquisitions, mergers and divisions.

The EBA is also mandated, under Articles 27c(5) CRD, to develop implementing technical standards (ITS) to establish common procedures, forms and templates for the consultation process between the relevant competent authorities (CAs) or authorities in case of material acquisitions. A similar mandate for the development of ITS to establish common procedures, forms and templates for the consultation process between the relevant CA in charge of the assessment or authorities is set out in Article 27k(3) CRD. Given the similarity of the mandates, they have been merged into a single ITS for regulatory simplification (**the draft ITS**).

2. Draft RTS on New supervisory tools

The draft RTS on New supervisory tools is articulated in four chapters, one for each material operation:

- a. Chapter 1 specifies the information, assessment methodology and process relating to the acquisition of material holdings;
- b. Chapter 2 lays down the list of information relating to the transfer of material assets and liabilities;
- c. Chapter 3 specifies the list of information, assessment methodology and process applicable to mergers; and
- d. Chapter 4 specifies the list of information, assessment methodology and process applicable to divisions.

Significant attention has been given to the principle of proportionality by streamlining the content of the notification or the assessment to be carried out. In this regard, information already held by the competent authority does not need to be resubmitted, information requirements may be adapted to specific circumstances of the acquisition (eg. public offers or hostile acquisitions), and the level of detail required is adjusted to the complexity and risk profile of the material operation. Mirroring the discretionary assessment of intra-group operations (and for material acquisitions between members of the same institutional protection scheme), a reduced set of information is requested for such cases, considering the existing level of business and operational integration.

In case of mergers, without affecting the notification and the assessment obligations, additional proportionality criteria (on top of that relating to intra-group operations) have been developed, in respect of mergers concerning small and non-complex financial stakeholders. In particular, increased simplification has been introduced where the financial stakeholder being merged or the combination between the merging and the merged financial stakeholders are small and non-complex. In addition, proportionality has been introduced also where the ratio between the purchase price or book value of the merged financial stakeholder and the total eligible capital of the merging entity is lower than 15%. These additional proportionality criteria translate into a reduced set of information and a proportionate assessment, on the assumption that given the small and non-complex nature of the involved financial stakeholders, or the low materiality of the impact of the merger for the merging financial stakeholder, the integration of the merged financial stakeholder will be smooth. Furthermore, to avoid duplication of burden and to take into account the Company Law Directive, in case of mergers or divisions the information request also relies on the documents that are prepared for purposes of the procedure to be followed under the Company Law Directive.

In order to ensure a harmonised application of the new regime introduced by the CRD6, Chapter 1 and Chapter 2 of the draft RTS clarify how to determine the materiality threshold set out in Article 27a CRD.

With regard to material acquisitions, the assessment methodology developed under the draft RTS encompasses the ongoing compliance with prudential and AML/CFT rules by the proposed acquirer after the acquisition, focusing on any significant changes to the business model, the governance, and related forecast financial and prudential requirements. The notification and prudential assessment processes cover the submission of the notification and the documents required for the submission to be deemed complete and encourage pre-contacts with the competent authority for more efficient proceedings.

Regarding material transfers of assets or liabilities, the list of information to be provided leverages on the one set up under Chapter 1: given the different prudential impact of the material transfers on the transferor and transferee, less information is requested to the former, whereas the latter is subject to information requirements similar to those of the proposed acquirer in case of material acquisitions. However, given that the CRD does not envisage an assessment of the notification additional proportionality – compared to the information requirements set out for material acquisitions – is envisaged in the draft RTS.

Regarding mergers, Chapter 3 of the draft RTS clarifies that the “financial stakeholder carrying out the operation” and submitting the notification is the entity that will result from the proposed merger – ie. the merging financial stakeholder. To enable the assessment of the continuous compliance with prudential requirements, the draft RTS requires the submission of a business plan describing the material changes to the business model and internal governance. The assessment

methodology includes reference to Pillar 2 requirements, goodwill and systemic importance since the competent authority has to consider these elements when assessing the combined entity's continuous compliance with prudential requirements. For the assessment of the credibility and realistic character of the implementation plan, the submission of a plan describing the integration project, including its governance and timeline, is requested. The notification and prudential assessment processes applicable to intra-group mergers are aligned with those developed under Chapter 1 reflecting the alignment of the Level 1.

Regarding divisions, the draft RTS builds up on the Company Law Directive where the regime on divisions is developed via reference to the regime on mergers. Similarly, Chapter 4 of the draft RTS mimics the content of Chapter 3 on mergers via cross-references to the relevant provisions. Furthermore, margins for flexibility as to the content of the notification are included in the draft RTS to allow taking into account the specificities of these operations for which little practice has been developed so far throughout the EU.

3. Draft ITS on consultation process between the relevant competent authorities

In relation to acquisitions of material holdings, Article 27c CRD lays down cases of cooperation between the CA to which the notification of the proposed acquisition is submitted with either (i) the CA entrusted with the supervision of other financial sector entities listed in Article 27c(1), or (ii) the consolidating supervisor of the proposed acquirer where different from the CA to which the notification has been submitted.

Article 27k CRD lays down cooperation requirements in case of mergers and divisions focusing on the CA receiving the notification of such proposed operation and the CA(s) entrusted with the supervision of other financial sector entities where the proposed operation involves, in addition to the financial stakeholders, any of the entities listed in Article 27k(1) of CRD. Given the similarity of the mandates conferred to the EBA by Articles 27c and 27k CRD for the development of ITSs on consultation, they had been merged into a single ITS for purposes of regulatory simplification.

Chapter 1 of the draft ITS applies to material acquisitions, mergers and divisions, setting out requirements for the designation of contact points by competent authorities and the consultation process between the CA in charge of the assessment and any supervising authority of other financial sector entities involved in the proposed material operation.

Conversely, Chapters 2 and 3 only apply to material acquisitions where the threshold is reached on an individual or a consolidated basis or at both levels and the competent authority and the consolidating supervisor are different. Chapter 2 focuses on the procedure to be followed by the competent authority or the consolidating supervisor, as the case may be, in respect of: (i) communication of the proposed acquisition to the other authority upon receipt of a complete notification from the proposed acquirer; (ii) consultation during the assessment period; and (iii) communication of the assessment to the other authority.

Chapter 3 covers the situation where the proposed acquirer is a credit institution, the materiality threshold is met at individual and consolidated levels and the assessment has therefore to be carried out by the two competent authorities at consolidated and at individual level (where different) and the decision has to be reached via a joint decision. The ITS focuses on cooperation between the two relevant CAs, by laying down the cooperation process and clarifying that the assessment may only be considered complete with the adoption of the joint decision or upon completion of the

EBA mediation in case of disagreement on the assessment between the consolidating supervisor and the CA.

Next steps

The draft regulatory technical standards, together with the draft implementing technical standards, will be submitted to the Commission for endorsement, following which the RTS will be subject to scrutiny by the European Parliament and the Council before being published in the Official Journal of the European Union.

3. Background and rationale

1. Overview of the regime on new supervisory tools set out in the CRD

1. Directive (EU) 2024/1619 (CRD6), amending Directive 2013/36/EU¹, the capital requirements Directive (CRD), introduces three new supervisory tools in relation to material operations carried out by credit institutions, financial holding companies (FHC) or mixed financial holding companies (MFHC) under Article 21a(1) CRD. The new supervisory tools cover: (a) acquisitions of material holdings, (b) material transfer of assets and liabilities; and (c) mergers and divisions. These provisions aim to level the playing field across the Union against the current national fragmentation. To capture transactions that impact on the prudential requirements of the entities subject to the new three tools, the legislator has introduced a material threshold for the application of the framework of material acquisitions and of material transfers of assets or liabilities.
2. The regime of acquisition of material holdings concerns acquisition of holdings in a financial or non-financial entity equal to or greater than 15% of the total eligible capital of the proposed acquirer, i.e. a credit institution, FHC or MFHC. When such threshold is met, the proposed acquirer has to submit the notification, which has to be assessed by the competent authority in the light of the assessment criteria set out in Article 27b(1) CRD, namely: a) continuous compliance with prudential requirements and b) suspicion of money laundering or terrorist financing ('ML/TF') risk. In case the proposed material acquisition amounts to the acquisition of qualifying holdings in a credit institution, the Level 1 envisages that the proceedings shall be completed when the later of the two relevant assessment periods expires.
3. Material transfers are the transfer of assets or liabilities equal to or greater than 10% of the total value of assets or liabilities if the transfer occurs outside the group, or 15% of the total value of assets or liabilities if the transfer occurs within the group. The transferor or the transferee which are a credit institution, a FHC or a MFHC are subject to the requirement of notification where the referred materiality threshold is met. Unlike material acquisitions, mergers and divisions, this regime only requires the submission of the notification and does not envisage a supervisory assessment. Exceptions to the application of this regime are envisaged by Article 27f(2), third subparagraph of CRD, namely transfers of non-performing assets, transfers of assets for the purpose of being included in a cover pool as defined in Article 3, point (3), of Directive (EU) 2019/2162, transfers of assets to be securitised and transfers of assets or liabilities in the context of the use of resolution tools, powers and mechanisms provided for in Title IV of Directive 2014/59/EU.
4. Mergers and divisions have to be notified to the competent authority by the financial stakeholder carrying out the proposed operation. The proposed operation has then to be assessed by that com-

¹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, pp. 338-436).

petent authority, however intragroup mergers are subject to discretionary assessment by the competent authority in accordance with Article 27i(2) CRD. Furthermore, the assessment does not take place in case the merger entails the set-up of a new credit institution that needs to be authorised, or of a (M)FHC that needs approval in accordance with Article 21a(1) CRD.

5. The assessment criteria envisaged in Article 27j CRD in respect of the entity resulting from the merger of the division, leverage on the criteria set out in Article 23 CRD for the assessment of proposed acquisitions of qualifying holdings, namely, the assessment of the: a) reputation; b) continuous compliance with prudential requirements; c) financial soundness; d) implementation plan; e) suspicion of ML/TF.
6. The assessment of proposed acquisitions of material holdings and of mergers and divisions leverage on the consultation and cooperation with other supervisory authorities, namely with the anti-money laundering or counter terrorist financing ('AML/CFT') supervisor, and with the competent authorities or authorities of the other financial sector entities involved in the proposed material operation. In case of acquisitions of material holdings, mergers and divisions, the AML/CFT supervisor may issue a negative opinion on the proposed material operation from a ML/TF risk perspective.
7. The European Banking Authority (EBA) is mandated by Article 27b(7) CRD, to develop regulatory technical standards (RTS) to further specify aspects of these material operations ('**the draft RTS**'), namely:
 - (a) the minimum list of information to be provided for material acquisitions, material transfers of assets and liabilities, mergers and divisions;
 - (b) a common assessment methodology of the criteria set out for the supervisory scrutiny of material acquisitions, mergers and divisions; and
 - (c) the process applicable to notification and the prudential assessment required for the tools on material acquisitions, mergers and divisions.

Furthermore, the mandate requires that the RTS takes into consideration the Title II of Directive 2017/1132 on Company Law ('Company Law Directive').

8. The deadline for submission of the RTS on new supervisory tools to the European Commission is 10 July 2026.
9. The implementation of the regime on the new supervisory tools is completed by the mandates for two implementing technical standards (ITS) on consultation between the competent authorities involved. Notably, Article 27c(5) CRD requires the EBA to develop ITS to establish common procedures, forms and templates for the consultation process between the relevant competent authorities or authorities in case of material acquisitions. A mandate for the development of ITS with the same content is set out in Article 27k(3) CRD in relation to mergers and divisions.
10. The deadline for the submission to the European Commission of the ITS on consultation under Article 27c(5) is 10 July 2026, whereas the deadline of the ITS under Article 27k(3) is 10 January 2027. Given the similarity of the mandates in terms of content, they have been merged into a single ITS for regulatory simplification ('draft ITS on consultation').

11. The coverage of the mandates in relation to each new supervisory tool is summarised in Figure 1 below

Figure 1: Mandates for RTS and ITS in relation to each supervisory tool

Tool	RTS - a) minimum list of information for the notification	RTS - b) methodology for assessment criteria	RTS - c) process for assessment	ITSs cooperation among authorities
Material acquisitions	EBA mandate	EBA mandate	EBA mandate	EBA mandate
Material transfer of assets or liabilities	EBA mandate	NO EBA mandate	NO EBA mandate	NO EBA mandate
Mergers and divisions	EBA mandate	EBA mandate	EBA mandate	EBA mandate

12. In the course of the development of the draft RTS on New supervisory tools and of the draft ITS on consultation, the EBA has closely liaised with the European Commission for the interpretation of the relevant provisions of the CRD6.

2. Draft RTS on new supervisory tools

a) General aspects

13. The draft RTS on new supervisory tools leverages on other EBA products and in particular on the ‘parallel’ RTS on minimum list of information for the notification of proposed acquisitions of qualifying holdings under Article 23(6) CRD². Consistency of the draft RTS with these technical standards is important to avoid additional burden to the extent possible.
14. The draft RTS is divided into four chapters, each devoted to one supervisory tool: Chapter 1: material acquisitions; Chapter 2: material transfers; Chapter 3: mergers; Chapter 4: divisions.
15. With regard to material holdings and to material transfers, that are triggered upon the reach of the materiality threshold, the draft RTS lays down how such threshold has to be determined, considering that such information is necessary for the submission of the notification and that the uniform determination of the threshold is essential to the harmonised application of the new tools across the EU. To avoid the circumvention of the assessment of material acquisitions, an anti-circumvention clause has been introduced providing that acquisitions carried out in a 12-month period have to be considered in aggregate for the determination of the materiality threshold.
16. Proportionality is embedded throughout the draft RTS new supervisory tools in various ways. Common provisions apply to all chapters of the draft RTS in relation to the submission of information for the notification, providing that: a) information already in possession of the competent authority to which the notification is submitted does not need to be re-submitted; b) depending on the circumstances of the acquisition or of the merger, eg. in case of hostile acquisition, the proposed

² The Consultation paper is available here: [Regulatory Technical Standards specifying the minimum list of information to be provided to the competent authorities at the time of the notification.](#)

acquirer – to the extent satisfactory to the competent authority - shall only submit the information within its availability; c) the level of detail of the submitted information shall reflect the complexity and risk profile of the material operation. Furthermore, in each Chapter specific proportionality criteria are set out in respect of the information to be submitted and of the related assessment to be carried out.

b) Chapter 1: material acquisitions

17. With regard to the acquisition of material holdings, where the proposed acquirer is a credit institution, the notification has to be submitted to the competent authority if the materiality threshold is reached only at individual level, and also to the consolidating supervisor if it is reached at both individual and consolidated level. Considering that the Level 1 captures also indirect proposed acquisitions of material holdings, the draft RTS on New supervisory tools clarifies that in such case, i.e. of material acquisitions carried out by subsidiaries of the proposed acquirer, the materiality threshold may only be met at consolidated level and for this purpose, the subsidiaries have to be within the consolidation perimeter of the proposed acquirer and be different from a credit institution or (M)FHC.
18. In respect of proposed intra-group material acquisitions or between entities of the same institutional protection scheme, that the Level 1 subjects to a discretionary assessment by the competent authority, the draft RTS on New supervisory tools envisages the submission of a streamlined list of information.
19. The minimum list of information to be submitted to the competent authority with the notification covers among others:
 - the identification of the proposed acquirer and information on the proposed acquisition;
 - description of the determination of the materiality threshold;
 - qualitative and quantitative information on the three-year business plan, including forecast financial information and impact on prudential requirements of the proposed acquirer (more comprehensive information is requested in case of acquisition of controlling stake); and
 - information on the post-acquisition internal governance adjustments, AML/CFT policies and arrangements.
20. The assessment methodology focuses on the forward-looking continuous compliance with applicable prudential and AML/CFT requirements by the proposed acquirer, following the proposed acquisition and pays attention to the analysis of material changes to the business model, related forecast prudential requirements, and internal governance.
21. The part on process significantly leverages on the process applicable to the assessment of proposed acquisitions of qualifying holdings and on the ESAs Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector³. The provisions focus on the submission of the notification by the proposed acquirer to the competent authority, specifying

³ Available here: [JC GL 2016 01 Joint Guidelines on prudential assessment of acquisition and increases of qualifying holdings - Final](#)

the submission via electronic means, the format of the documents and the formalities of the notices to be provided by the competent authority to the proposed acquirer upon receipt of the notification and during the prudential assessment.

c) Chapter 2: material transfers of assets or liabilities

22. As mentioned above, the mandate only covers the minimum list of information to be contained in the notification to be submitted to the competent authority.
23. The Chapter significantly leverages on Chapter 1, however considering that the Level 1 does not envisage any assessment by the competent authority upon receipt of the notification, the information requirements are more streamlined. Furthermore, given the different prudential impact of such a material operation on the transferor and transferee, less information is requested to the former, whereas the latter is subject to information requirements similar to those applicable to the proposed acquirer in case of material acquisitions.
24. The general rules on proportionality apply here via cross-reference to the relevant provisions in Chapter 1.

d) Chapter 3: mergers

25. Chapter 3 of the draft RTS further specifies the new regime on mergers. It clarifies that the financial stakeholder carrying out the operation and submitting the notification is the entity that will result from the proposed merger, so the merging financial stakeholder.
26. Like Chapter 2 on material transfers, also Chapter 3 leverages on the list of information set out in Chapter 1 on material acquisition to ensure internal consistency. This is important also considering that in several cases the acquisition will precede the merger.
27. With specific regard to proportionality, in addition to the general rules set out in Chapter 1 that are cross-referred to in this Chapter, some specific proportionality thresholds have been developed to tailor the list of information and the related assessment to the complexity and risk of the proposed merger, also having regard to the existing level of integration in case of intra-group operations.
28. The draft RTS pays attention to small and non-complex institutions and envisages two buckets of proportionality, the first applies where the financial stakeholder being merged has total assets equal or lower than EUR 1 bn, the second where the sum of the total assets of the merging and merged financial stakeholders is equal or lower than EUR 5 bn. In such cases significantly streamlined information is requested, given that the entity being merged or the resulting entity will be a small and non-complex institution.
29. Where the thresholds referred to above do not apply, further proportionality criteria may be applicable. The first captures intra-group proposed mergers that do not entail a change in the consolidated perimeter. The second concerns proposed mergers where the ratio between the greater of the purchase price or the book value of the financial stakeholder being merged and the total eligible capital of the merging financial stakeholder is lower than 15%. This is a residual proportionality

criterion intended to capture proposed mergers that do not fall in any other proportionality criterion. Where the materiality threshold is met, the proposed merger is considered complex (unless in case of intra-group merger) with material impact on the prudential requirements of the merging financial stakeholder, along the lines of the threshold set out for material acquisitions⁴.

30. The draft RTS requires that the proposed merging stakeholder submit a business plan with a description of the underlying business rationale and business strategy, and an implementation plan (or an integration project) describing the material changes to the business model and internal governance. These documents enable the competent authority to undertake a forward-looking assessment of the proposed operation, focussing on the sustainability of the business model and the continuous compliance with the applicable prudential requirements. The request of an implementation plan reflects the key role for the success of the operation, for more complex business combinations, played by the merging stakeholder's ability to implement the business and operational integration and this should be an area of focus during the assessment. An implementation plan is similarly required where the merger gives rise to a new credit institution to be authorized – by amending the Commission Delegated Regulation (EU) No 2022/2580 on the authorization of credit institutions.
31. Pillar 2 requirements and guidance are an important input to the competent authority's assessment of the combined entity's continuous compliance with prudential requirements. For Pillar 2, the draft RTS provides a common and transparent reference for the additional requirements that applicants should factor into their plans and emphasises the need for consistency between risk and capital as important elements of the business plan. The draft RTS also sets out that the competent authority shall consider the additional capital requirements and guidance applicable to the merging financial stakeholder using the information received from the applicant and considering the forecast risk profile of the merging financial stakeholder.
32. On systemic importance, the draft RTS requires the competent authority to coordinate with the relevant macroprudential authorities where there is a likelihood that the assessment of systemic importance may change following the merger. This is to assess the plausibility and timelines of a change which may influence the competent authority's assessment of continuous prudential compliance.
33. The recognition of goodwill has a positive effect on the own funds of the entity resulting from the merger. The draft RTS sets out that, where the prudential recognition of goodwill has a material impact on the ability of the merging financial stakeholder to meet prudential requirements, the competent authority shall assess the opportunity of adopting mitigation or supervisory measures until the sustainability of the business model is firmly established. This approach considers that external certification is always required, albeit after the merger and using more stable figures.
34. With regard to the provisions on process for the notification and the assessment, they include (i) requirements on the submission of the notification by the financial stakeholders and (ii) the process applicable to the notification and to the prudential assessment, taking into account the distinction

⁴ The analysis of the proportionality threshold is carried out in the Section on Impact Assessment of this Consultation paper.

between intra-group mergers or divisions and mergers with externals in regard to the assessment period and timeline.

e) Chapter 4: divisions

35. The Chapter on divisions follows the approach laid down in Directive 2022/1132 on Company Law and builds up on its content via reference to the relevant provisions of Chapter 3 on mergers. To this end terminology equivalence is established, so that – unless otherwise indicated – ‘merging financial stakeholder’ means ‘financial stakeholder being divided’, ‘entity being merged’ means ‘recipient entity’, ‘entities involved in the merger’ means ‘entities involved in the division’.
36. The notification is submitted by the financial stakeholder being divided to its competent authority which will be in charge of the assessment of the division. Cooperation and consultation with the competent authorities or authorities of the recipient entities in accordance with the draft ITS on consultation is particularly relevant for this operation.
37. Considering that divisions are still rare operations, the draft RTS takes somewhat a flexible approach leaving margins for adjustment of the list of information based on the terms of the specific operation and having regard to the nature of the recipient entity. To this end, the draft RTS strongly encourages pre-contacts with the competent authority to which the notification has to be submitted.
38. The proportionality criteria laid down in Chapter 3 for mergers are also reflected in this Chapter. Similarly to Chapter 3, exemption from submission of information is envisaged for information already in possession of the competent authority, and non-duplication of burden is envisaged when the requested information is already contained in the documents to be prepared for the division under the Company Law Directive.
39. As to process, Chapter 4 builds up on cross-references to Chapter 3 on mergers since it is the same for both mergers and divisions.

3. Draft ITS on consultation process between the relevant competent authorities

40. Article 27c CRD lays down cases of cooperation, in relation to acquisition of a material holding, between the competent authority to which the notification of the proposed acquisition has been submitted and either (i) the competent authority supervising other financial sector entities listed in the same Article 27c(1), or (ii) the consolidating supervisor of the proposed acquirer where different from the competent authority to which the notification has been submitted.
41. Article 27k CRD lays down cooperation requirements, in case of mergers and divisions, between the competent authority to which the notification is submitted and the competent authorities or authorities supervising other financial sector entities involved in the proposed operation, in addition to the financial stakeholders.

42. As pointed out above in relation to the Chapters on mergers and divisions, cooperation with the authorities supervising the other involved financial sector entities is crucial to gain a full picture of the financial and prudential situation of the entities involved in the proposed merger or division.
43. The articulation of the process and related formalities under this ITS leverages on Commission Implementing Regulation (EU) 2017/461 on cooperation between competent authorities in the context of the assessment of acquisition of qualifying holdings under Article 24 CRD, given the similarity of the related Level 1 provisions and mandates (i.e. Article 24, Article 27c(1) and (4) and Article 27k(1) and (2)).
44. Chapter 1 specifies Articles 27c(1) and 27k(1) CRD and covers the consultation by the competent authority of the supervising authorities of other financial sector entities involved, when the proposed acquisition or the proposed merger or division concerns notably:
 - (a) a credit institution, an insurance undertaking, a reinsurance undertaking, an investment firm or an asset management company, authorised in another Member State or in a sector other than that of the proposed acquirer;
 - (b) a parent undertaking of an entity listed in a); and
 - (c) a legal person controlling an entity listed in point a).

For material acquisitions, such consultation occurs where the materiality threshold has been reached at individual, consolidated or both levels.

45. In addition, regarding the case when the proposed acquisition also consists in the acquisition of qualifying holdings in a credit institution (Article 22 CRD), Article 27a(6) CRD, second sub-paragraph, sets out a coordination procedure, envisaging that the assessment period for both procedures will expire upon the expiration of the “later of the two relevant assessment periods”. Thus, the draft ITS provides that both authorities have to cooperate to coordinate the timeline of both assessments.
46. The second scenario covered by Chapter 2 of the draft ITS concerns the consultation between the competent authority and the consolidating supervisor (if different), or vice versa, where the proposed material acquisition reaches the materiality threshold only at individual or at consolidated level (Article 27c(2), first and second sub-paragraphs CRD). When the proposed acquirer is a credit institution and the materiality threshold is reached on an individual basis, the competent authority, after being notified of the proposed acquisition, has to notify such acquisition to the consolidating supervisor (if different) and forward the assessment. When the proposed acquirer is a FHC or a MFHC under Article 21a(1) CRD, the consolidating supervisor, to which the notification of the proposed acquisition is submitted and in charge of the assessment, if different from the competent authority of the FHC or MFHC, has to notify the competent authority of the proposed acquisition and forward the assessment.
47. The third scenario under Chapter 3 covers the situation where the proposed acquirer is a credit institution and the proposed acquisition meets the materiality threshold at both individual and consolidated level (Article 27c(2), third sub-paragraph and Article 27c(3) CRD). In that case, the notifi-

cation has to be submitted both to the competent authority of the credit institution and the consolidating supervisor (if different) which will run the two assessments at individual and consolidated level. At the end of the assessment period, the consolidating supervisor notifies to the competent authority the draft assessment; the latter amounts to the 'common' draft assessment to be used to reach the joint decision. Such draft shall take into account and reflect the assessment by the (solo) competent authority, following consultations between each other during the assessment period. A joint decision has to be reached by the two authorities in full consultation during an additional two month-period starting from the acknowledgement of the receipt by the competent authority of the draft assessment sent by the consolidating supervisor. In case of disagreement, the EBA has to be seized for binding mediation. Where a joint decision is reached, it shall be communicated by the consolidating supervisor to the proposed acquirer. The joint decision shall include the competent authority and shall give full account of its views. Therefore the (solo) competent authority shall refrain from additional communications. If the assessment has not been completed until the end of the joint decision process, the CA will communicate this to the proposed acquirer.

48. [The EBA carried out a public consultation on the draft RTS, together with the draft ITS prepared pursuant to the mandates set out, respectively, in Articles 27b(7), 27c(5) and 27k(3) of CRD and finalised the draft RTS, together with the draft ITS as set out in this final report.]

4. Draft regulatory and implementing technical standards

COMMISSION DELEGATED REGULATION (EU) .../...**of XXX**

supplementing Directive 2013/36/EU, with regard to regulatory technical standards on minimum information, assessment methodology and process applicable to the acquisition of material holdings, material transfer of assets and liabilities, mergers and divisions , and amending Commission Delegated Regulation (EU) No 2022/2580

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,
Having regard to Directive 2013/36/EU⁵, and in particular Article 27b(7), fourth subparagraph thereof,

Whereas:

- (1) A minimum list of information is necessary to support a harmonised prudential assessment by the competent authority of material transactions, such as the proposed acquisition of material holdings, of mergers or divisions carried out by an institution, a financial holding company or a mixed financial holding company under Article 21a(1) of Directive 2013/36/EU. Similarly, in case of material transfer of assets or liabilities, it is important that the competent authorities across the EU receive the same set of information, given the potential prudential impact on the transferor or the transferee.
- (2) The information contained in the notification should be true, accurate, complete and up-to-date from the moment of the submission of the notification until the completion of the assessment by the competent authority.
- (3) In order to ensure the uniform application of the regime on proposed material acquisitions or on proposed material transfer of assets or liabilities, and that the same situation are notified to the competent authorities across the Union, it is crucial that the materiality threshold requiring the submission of the notification to the competent authority, is determined in accordance with harmonised criteria.
- (4) With a view to avoid that the prudential assessment of the proposed material acquisition by the competent authority is circumvented by artificially fragmenting the proposed material acquisition in multiple transactions that would not *per se* meet the materiality threshold, it is opportune to consider them in aggregate when they are carried out within a twelve-months period of time.
- (5) To effectively support the assessment of proposed material acquisitions, the institution, financial holding company or mixed financial holding company within the meaning of Article 21a(1) of Directive 2013/36/EU that intends to acquire the material holding ('proposed acquirer') should submit information on the proposed material acquisition that is correlated to the level at which the materiality threshold is met, whether at

⁵ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, pp. 338-436).

consolidated or at individual level or both. The same approach should be followed in case of indirect material acquisitions which are directly carried out by one or more subsidiaries of the proposed acquirer, when they are included within its scope of consolidation and are not credit institutions, financial holding companies or mixed financial holding companies under Article 21a(1) of Directive 2013/36/EU. To ensure an efficient coordination between the competent authority and the consolidating supervisor, where they are different, it is opportune that the proposed acquirer submits a summary notice of the notification that the competent authority can transfer to the other competent authority involved.

- (6) It is important that the notification contains the relevant information enabling to expeditiously identify the proposed acquirer and the target entity, including whether it is part of a group, or whether the proposed material acquisition entails other regulatory assessments such as the prudential assessment of qualifying holdings.
- (7) For purposes of the assessment of the continuous compliance with prudential requirements after the proposed material acquisition, the notification should also cover the financing of the proposed acquisition, in particular in the case of use of borrowed funds, having regard to the proposed acquirer's ability to reimburse such funds, and to the legitimate origin of such funding.
- (8) To enable a forward-looking assessment of the proposed material acquisition, the proposed acquirer should submit a business plan with a description of the underlying business rationale and business strategy, and a description of the material changes to the business model. To assess the continuous compliance with prudential requirements, the business plan should be supported by consistent quantitative financial forecast, including the most important prudential ratios and requirements at all relevant levels of prudential reporting. Where the proposed acquisition provides control of the target entity, the forward-looking assessment should also cover the integration of the target entity with the proposed acquirer, and for that purpose an integration plan, covering all material changes to the business model and internal governance should be submitted by the proposed acquirer.
- (9) Having regard to the principle of proportionality and avoidance of duplication of burden, the proposed acquirer should be exempted from submitting information that is already in possession of the competent authority, provided it is clearly indicated by the proposed acquirer and the information is still true, accurate and up-to-date. To avoid duplication of burden, the same exemption should apply to the notification submitted in case of proposed material transfers of assets or liabilities, mergers or divisions. For sake of consistency, the information set out in Chapter 1 of this Regulation leverages as much as possible on the information requested under Commission Delegated Regulation 202X/XXX [RTS on minimum list of information for proposed acquisition of qualifying holdings, under Article 23(6) Directive 2013/26/EU).
- (10) The level of detail of the submitted information should be proportionate to the material impact of the proposed material operation on the prudential situation of the entity that submits the notification having regard to the complexity and risk profile of that entity and of the other entities involved.
- (11) Having regard to the circumstances of the proposed material acquisition or merger, for instance in case of public offer or hostile operation, the proposed acquirer or the merging financial stakeholder may not be in possession of all the information requested in this Regulation. In such cases the proposed acquirer should bring such difficulties to the

attention of the competent authority indicating the aspects of the notification and in particular of the business plan that may need to be amended or completed following the conclusion of the operation. In such circumstances, the proposed acquirer or the merging financial stakeholder should be permitted to submit the information within its availability to the extent considered satisfactory by the competent authority to carry out the prudential assessment of the proposed operation.

- (12) In case of proposed material acquisitions, for proportionality reasons, it is opportune that the assessment and the related information to be notified reflect not only the materiality threshold but also the level of influence that the proposed acquirer will be able to exercise in the target undertaking. For this reason, in such cases the proposed acquirer is requested to submit among others, also a comprehensive business plan.

In case of material acquisitions which present lower level of complexity because they concern entities that are part of the same group and therefore share some degree of integration or relate to institutions belonging to the same institutional protection scheme that are subject to discretionary assessment by Article 27a(7) of Directive 2013/36/EU, it is opportune to request a reduced set of information to support the competent authority to form a view in an expedite manner on the proposed material acquisition and on the opportunity to carry out the assessment, that it is based on a set of information reflecting the complexity of the proposed operation.

- (13) Considering that the proposed acquirer is subject to the ongoing supervision of the competent authority in charge of the assessment, the latter should be limited to the material impact and related material changes deriving from the proposed acquisition, in particular to the business model, internal governance arrangements, implementation plan, and the estimated prudential requirements. Similarly, the competent authority should assess any material impact on the prudential requirements of the suspicion of commitment or increase of ML/TF risk linked to the proposed acquisition.
- (14) For purposes of simplification of the administrative procedures and ensure an expedite transmission, the notification to the relevant competent authority of the proposed material operations covered by this Regulation should be submitted via electronic means indicated on the competent authority's website. To ensure transparency of the process, the competent authority should acknowledge the receipt of the notification either if it's complete or incomplete.
- (15) To cater for the different prudential impact of the material transfer of assets or liabilities on the transferor or on the transferee, it is opportune to request additional information to the transferee demonstrating its ability to support the material impact of the acquisition on the business model and prudential requirements including internal governance.
- (16) To enable the competent authority to carry out the prudential assessment on the entity resulting from the proposed merger ('merging financial stakeholder'), it is opportune that it submits a notification covering the details of the proposed merger, the relevant information about all the financial stakeholders or companies participating to the merger ('entities involved in the merger'), including the entity that will cease to exist and that is being merged ('the entity being merged'); changes to the business model of the merging financial stakeholder accompanied by financial and prudential forecasts, as well as a detailed plan about the integration between the merging financial stakeholder and the merging entity(ies).
- (17) Considering that the entity being merged will be dissolved and cease to exist, it is opportune that the relevant information and documents submitted with the notification by

the merging financial stakeholder reflect the prudential deficiencies if any of the entity being merged and include the remedial initiatives envisaged to be taken by the merging financial stakeholder. For this reason, the assessment of reputation should only concern the merging financial stakeholder and the members of its management body in management function and focus on new events occurred after the suitability financial assessment or any subsequent update. Where events affecting the good repute of the entity being merged, including the members of its management body in management function, may adversely impact the prudential situation of the merging financial stakeholder, such events should be covered – to the extent possible – by the notification in the specific areas concerned, such as business model, internal governance, implementation plan, and envisage remedial initiatives. These elements should be adequately covered by the competent authority as part of the assessment of the proposed merger. To make sure to gain a comprehensive and clear understanding of the prudential situation of the entity being merged and, where relevant, of other involved entities, the competent authority in charge of the assessment of the proposed merger should consult the other relevant competent authorities or authorities in accordance with Commission Implementing Regulation (EU) No 20xx/xx [on common procedures, forms and templates for the consultation process between the relevant competent authorities under Articles 27c and 27k of Directive 2013/36/EU].

- (18) For purposes of efficiency, where the entity resulting from the proposed merger or division requires an authorisation as an institution, the relevant information relating to the proposed merger or division, and in particular the information relating to the implementation plan, should be submitted to the competent authority as part of the application for authorisation to enable a comprehensive assessment within the authorisation process. For this reason, Commission Delegated Regulation (EU) No 2022/2580 should be amended to ensure that the application for authorisation includes the relevant information concerning the proposed merger or division. Where the entity resulting from the proposed merger or division requires an approval as a financial holding company or a mixed financial holding company within the scope of Article 21a(1) of Directive 2013/36/EU, the proposed acquirer should submit a notification with the relevant information relating to the proposed merger to the competent authority in the context of the application for approval to enable a comprehensive assessment within the application process.
- (19) Where the proposed merger presents a lower level of complexity because the financial stakeholder being merged is small in size, or when the financial stakeholders involved in the proposed merger are small and non-complex, so that the combination of their total assets at the time of the notification does not exceed those of a small and non-complex institution, it is opportune to request a significant reduced set of information to be notified to the competent authority.
- (20) Where the proportionality criteria above do not apply, but the proposed merger presents a lower level of complexity because it concerns only financial stakeholders from the same group, including credit institutions that are permanently affiliated to a central body which is supervised as a group, and that for this reason already share business and operational integration, and provided that the proposed merger does not envisage to alter the consolidation perimeter, it is proportionate to request the notification of a reduced set of information to support the competent authority to form a view in an expedite manner on the proposed merger and on the opportunity to carry out the assessment. The same reduced set of information should be submitted where the ratio between the purchase price or the book value of the financial stakeholder being merged and the total

eligible capital of the merging financial stakeholder is not material since it is lower than 15%.

- (21) In all such cases referred in recitals (19) and (20), the assessment of the proposed merger by the competent authority should reflect the proportionality of the submitted information.
- (22) To avoid duplication of burden, it is opportune that where the information requested under this Regulation for proposed mergers or divisions is contained in documents prepared for purposes of Directive 2017/1132 relating to certain aspects of company law⁶, the merging financial stakeholder or the financial stakeholder being divided as the case may be, should be allowed to submit such documents for purposes of the notification.
- (23) To enable the competent authority to carry out a forward-looking assessment of the financial soundness and of the continuous compliance with prudential requirements of the merging financial stakeholder, it is important that the notification contains forecast financial and prudential ratios and requirements consistent with the business plan and the implementation plan. This information should include all elements of regulatory and capital requirements applicable to the merging financial stakeholder.
- (24) To reflect that the systemic importance of the merging financial stakeholder may need to be reassessed after the merger, it is opportune to envisage coordination between the competent authority and the macroprudential authority responsible for the assessment of systemic importance. Such coordination should aim to assess the plausibility and timelines of changes to the systemic designation and to the buffer requirements for the merging financial stakeholder following the merger.
- (25) In order to ensure a smooth integration of the entities involved in the merger and minimise potential execution risks, it is important that the notification clearly describes the steps, timelines and governance of the execution of the proposed merger or division.
- (26) It is important that material acquisitions, mergers and divisions are not carried out to commit, increase or create money laundering or terrorist financing ('ML/TF') risks. For this reason, the notification should include relevant information to support the forward-looking assessment which should focus on the prudential impact of potential deficiencies of the entity being merged on the merging financial stakeholder after the proposed merger.
- (27) Where the AML/CFT supervisor issues a negative opinion on the proposed material acquisition, or on the proposed merger or division, the competent authority should carefully consider the prudential impact of the ML/TF risk assessed by the AML/CFT supervisor and the opportunity and adequacy of mitigation measures.
- (28) Considering that in case of division the competent authority of the financial stakeholder being divided to which the notification is submitted may be different from the competent authority of the recipient entities and that they may be subject to supervisory scrutiny linked to the proposed operation, it is opportune and proportionate to maintain a margin of flexibility in the determination of the requested information in order to adapt to the specificities of the proposed division and of the entities involved in the proposed division. For this purpose, the financial stakeholder being divided should endeavour to contact the competent authority before submitting the notification.

⁶ Directive (EU) 2017/1132 of the European Parliament and of the Council of 14 June 2017 relating to certain aspects of company law, OJ L 169, 30.6.2017, pp. 46–127.

- (29) To ensure a transparent process, the competent authority should acknowledge the receipt of the notification either if it is complete or incomplete. Furthermore, for purposes of an efficient process, and in particular to demonstrate that the ten-working day timeline for the acknowledgement of receipt is complied with, the competent authority should indicate the date of receipt of the notification or of the missing information when acknowledging receipt of a complete notification.
- (30) To ensure appropriate coordination of parallel supervisory procedures, where the proposed material acquisition requires the assessment of the proposed acquisition of qualifying holdings in accordance with Article 22(1) of Directive 2013/36/EU or with another EU financial sector legal act, the proposed acquirer should submit the notification at the same time of the notification to the competent authority or authority in charge of the prudential assessment of the proposed acquisition of the qualifying holding.
- (31) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the European Banking Authority. The European Banking Authority has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council⁷,

HAS ADOPTED THIS REGULATION:

Chapter 1
Acquisition of a material holding

Article 1

General criteria on information requirements

1. The proposed acquirer shall include in the notification the information laid down in Articles 1 to 6 and in accordance with Article 7, on the basis of the consolidated situation of the group. Where the proposed acquirer is an institution and the threshold referred to in Article 27a(2) of Directive 2013/36/EU is only exceeded on an individual basis, the information shall be submitted at individual level.

Where the proposed acquirer is an institution and the threshold referred to in Article 27a(2) of Directive 2013/36/EU is exceeded both on an individual and on a consolidated basis, the information shall be submitted both at individual and at consolidated level.

The proposed acquirer shall submit the information at consolidated level also in case of an indirect proposed material acquisition, which is directly carried out by one or more of its subsidiaries which are included within the scope of prudential consolidation of the proposed acquirer in accordance with Article 18 of Regulation (EU) No 575/2013 and are not an institution, a financial holding company or a mixed financial holding company under Article 21a(1) of Directive 2013/36/EU. Where the subsidiary directly carrying out the material acquisition is an institution, the first and the second subparagraph shall apply.

2. The threshold referred to in Article 27a(2) of Directive 2013/36/EU shall be determined as the higher of the ratios between the purchase price or the book value of the material

⁷

Regulation (EU) No 1093/2010 of the European Parliament and of the Council (OJ L 331, 15.12.2010, p. 12-47.)

holding and the proposed acquirer's eligible capital as reported in the latest reporting period in accordance with Commission Implementing Regulation (EU) 2021/451⁸. Material changes affecting the calculation of the proposed acquirer's eligible capital occurred after the latest submission period shall be separately submitted by the proposed acquirer, together with an explanation of their impact on the determination of the eligible capital.

Where the proposed acquirer is an institution, the information on the determination of the threshold referred to in the first sub-paragraph shall be provided on both an individual and consolidated level (where applicable), save where the institution has been granted capital waivers in accordance with Article 7, a permission under Article 9 or a waiver under Article 10 of Regulation (EU) No 575/2013.

Where the proposed acquisition follows previous acquisitions of holdings in the target entity conducted within a twelve consecutive months period, the materiality threshold shall be the sum of the ratios for each transaction, calculated in accordance with this paragraph.

For purposes of Article 27a(2) of Directive 2013/36/EU, eligible capital is that defined in Article 4(1), point (71), point (a) of Regulation (EU) No 575/2013.

Consultation question

1. Do you agree with the methodology laid down in Article 1(2) on the determination of the materiality threshold?

Article 2

General information on the proposed acquirer

The notification shall contain the following information on the proposed acquirer:

- (a) its business name and legal form;
- (b) the address of the registered office and the Legal Entity Identifier, where available;
- (c) name and contact details of the person within its organisation to contact regarding the notification;
- (d) where relevant and available, the name and contact details of the principal professional adviser, used to prepare the notification.

Article 3

Information on the proposed acquisition

1. The notification submitted by the proposed acquirer shall include the following information on the target entity in which it intends to acquire a material holding:
 - (a) name, legal form, address of the registered office, and, where it is a financial sector entity, the Legal Entity Identifier, where available, as well as the indication of the

⁸ Commission Implementing Regulation (EU) 2021/451, laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (OJ L 97 of 17.12.2020, p. 1.

relevant authority on an individual basis and, where applicable, on the basis of the consolidated situation of the group;

- (b) where the target entity is registered in a central register, commercial register, companies register or similar public register, the name of the register in which the entity is entered, the registration number or an equivalent means of identification in that register and the registration certificate. For legal persons under the scope of Directive (EU) 2017/1132, this information shall match the information resulting in the national business register referred to in Article 16 of Directive (EU) 2017/1132;
- (c) indication as to whether the proposed acquisition of a material holding is conducted between entities of the same group as referred to in Article 113(6) of Regulation (EU) No 575/2013 or between entities within the same institutional protection scheme as referred to in Article 113(7) of that Regulation;
- (d) where the threshold referred to in Article 27a(2) is exceeded on an individual basis and on the basis of the consolidated situation of the group, confirmation that the notification of the proposed acquisition is submitted in parallel to the competent authority and to the consolidating supervisor and the date of such notification;
- (e) where the target entity is a financial sector entity subject to the regime on prudential assessment of proposed acquisition of qualifying holdings, confirmation that a notification for the acquisition of a qualifying holding has been submitted in parallel to the relevant competent authority for the prudential assessment of the target entity, and the date of such notification;
- (f) a chart with the capital structure and voting rights in the target entity, including the identity of the direct and indirect shareholders or members controlling the target entity, alone or acting in concert with other shareholders or members, where available;
- (g) description of the business activities carried out by the target entity, including whether they are subject to regulation or supervision, and indication whether the proposed acquisition is subject to a separate approval by the competent authority of the target entity;
- (h) where the target entity is part of a group, where available, a detailed chart of the group structure with indication of the share of capital and voting rights of shareholders or members with holdings in the group entities enabling to exercise control, as well as identification of any financial sector entity within the group and information on the activities currently performed by the group entities and the related geographic outreach;
- (i) where available, the credit rating of the target entity, and, where applicable, the overall credit rating of its group;
- (j) the statutory financial statements covering the last three financial years preceding the notification, including: the annual reports with the financial statements (namely the balance sheet, the profit and loss accounts or income statements and, where available, the cash flow statements), the supplementary notes and any other document registered with the registry.

Where applicable, the information set out in this point shall be submitted as approved by the statutory auditor or audit firm as defined in Article 2, points (2) and (3), of Directive 2006/43/EC of the European Parliament and of the Council⁹;

- (k) confirmation that the target entity, the members of its management body or the ultimate beneficial owner(s) are not subject to restrictive measures adopted by Union law;
 - (l) indication of any information at individual, consolidated and sub-consolidated level (where applicable) including statement or reports demonstrating that the proposed acquirer made reasonable steps to understand if the target entity and any member of the management body of the target entity, is, or has been, subject to any anti-money laundering or counter terrorist financing (AML/CFT) related supervisory measures, sanctions or penalties, or any criminal convictions for money laundering, terrorist financing or any financial crimes as per Directive (EU) 2015/849 in the past 10 years.
2. The proposed acquirer shall provide the following information about the material holding it intends to acquire in the target entity:
 - (a) details on the shares or parts of the target entity, including:
 - (i) the number, type and nominal value of the shares;
 - (ii) the share of the overall capital and voting rights of the target entity that the proposed acquirer will hold following the proposed acquisition;
 - (iii) indication as to whether the material acquisition will provide control of the target entity including the appointment of members of the management body;
 - (b) the purchase price of the material holding;
 - (c) the criteria used for the determination of the purchase price (multiples, profitability, other) of the material holding and the explanation of any difference with the market value (where applicable);
 - (d) description of the valuation methods used, and, in case the material acquisition provides control of the target entity, the valuation reports of the material holding, where available;
 - (e) the internal approval documents of the proposed acquisition of the material holding by the proposed acquirer, including the minutes of the competent decision-making body.
 3. The proposed acquirer shall provide the timeline for the payment of the purchase price with a description of the funding needs and, where the funding does not derive from the proposed acquirer's business, of the sources of funding for the proposed acquisition, including:
 - (a) details on any assets which are to be sold to finance, in whole or in part, the proposed acquisition, such as conditions of sale, price, valuation methodology for their determination and relevant available documentation;

⁹ Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual accounts and consolidated accounts, amending Council Directives 78/660/EEC and 83/349/EEC and repealing Council Directive 84/253/EEC (OJ L 157, 9.6.2006, pp. 87–107)

- (b) details on access to equity or debt sources and financial markets, including description and terms of financial instruments to be issued to finance in whole or in part, the proposed acquisition;
- (c) in case of use of borrowed funds, including in case of intra-group financing, at least the following information:
 - (i) the name of relevant lender(s), and details of the facilities granted, including maturities, interests, terms, pledges and guarantees, hedging agreements;
 - (ii) description of the financing structure including the location of the debt and all the intermediate steps, including intra-group loans;
 - (iii) the debt repayment plan, with the various sources which would be used to pay back the debt including any reliance on dividend distribution by the target entity;
- (d) any capital or financial commitments in respect of the target entity or other group entities of the target entity, in connection with the proposed acquisition;
- (e) in case the payment of the purchase price occurs via an exchange offer, the information set out in Article 19(1), point (f);
- (f) information on any financial arrangement with other persons who are or will be shareholders or members with controlling holdings of the target entity.

For the purposes of point (c), where the lender is not an institution or a financial institution authorised to grant credit, the proposed acquirer shall provide comprehensive information and supporting evidence on the origin of the funds borrowed, including the lender's activity, legal form and place of residence, and any contractual clause empowering the lender to give instructions to the borrower about the governance of the target entity.

4. The proposed acquirer shall provide the following information about the modality of the proposed acquisition:
 - (a) any action in concert with other parties;
 - (b) where applicable, the content of intended shareholders agreements with other shareholders in relation to the target entity;
 - (c) a summary of the principal terms of the contract of the proposed acquisition that may impact the prudential situation of the proposed acquirer.
5. In the cases set out in Article 27c(2), first and second sub-paragraphs, of Directive 2013/36/EU where the competent authorities involved are not the same, the proposed acquirer shall also submit a summary notice with the main terms of the proposed acquisition, including:
 - (a) the identification of the target entity;
 - (b) where available, the group structure of the target entity, including the direct and indirect shareholders or members holding the control of the target entity;
 - (c) the number and types of shares or parts intended to be acquired and the percentage of capital and voting rights they represent;
 - (d) the purchase price;

- (e) the determination of the materiality threshold at both individual and consolidated basis, where applicable;
- (f) indication of the financing of the proposed acquisition;
- (g) the estimated prudential forecast for a period of at least three years following the acquisition;
- (h) outline of envisaged impact on the internal governance including from AML/CFT perspective.

Article 4

Financial information on the proposed acquirer

The notification shall contain the following financial information:

- (a) the statutory financial statements covering the three financial years preceding the notification, including: the annual reports with the financial statements (namely the balance sheet, the profit and loss accounts or income statements and, where available, the cash flow statements), the supplementary notes, and any other document registered with the registry or in possession of the competent authority where different from the consolidating supervisor to which the notification is submitted;
- (b) total exposure (including any type of asset and off-balance sheet item) to the target entity and, where applicable, to the target entity's group;
- (c) an outline of any security interests, guarantees or indemnities granted or expected to be granted by the proposed acquirer prior to the acquisition of the material holding;
- (d) any realised sale of assets and liabilities since the reference date referred to in point (a), or expected to be executed prior to the proposed acquisition;
- (e) where available, the credit rating of the proposed acquirer and, where applicable, the overall credit rating of its group.

Where applicable, the information set out in point (a) shall be submitted as approved by the statutory auditor or audit firm as defined in Article 2, points (2) and (3), of Directive 2006/43/EC of the European Parliament and of the Council.

Article 5

Information on the business plan, including the internal governance

1. The proposed acquirer shall submit a business plan covering at least the three years following the proposed acquisition, describing at least the following:
 - (a) the business rationale and the business strategy of the proposed acquisition and, where the proposed acquirer belongs to a group, its consistency with the group's strategy, including:
 - (i) whether it is a strategic or portfolio investment;
 - (ii) the time horizon of the investment and the exit strategy;
 - (b) the material changes to the business model and risk profile after the proposed acquisition;

- (c) new or materially changed business drivers, competitive advantage, type of products and services and distribution channels, target customers, target markets and geographical distribution;
 - (d) envisaged synergies (including efficiency gains or growth rate), as well as the steps and timing for their achievement;
 - (e) the integration costs;
 - (f) changes to AML/CFT related internal systems and controls to mitigate new or increased potential ML/TF risks identified in the business plan, as referred to in Article 6(7) point (d).
2. Where the proposed acquisition provides control of the target entity or its prudential impact materially exceeds the materiality threshold, the proposed acquirer shall submit a plan covering to the extent possible all material changes to the internal governance of the proposed acquirer on an individual basis or on the consolidated basis of the group as applicable, demonstrating its ability to support such material changes in order to continue to comply with prudential requirements. The plan shall include the following information, as available:
- (a) illustration of the process to implement the relevant material changes in the internal governance arrangements, with related timeline and explanation of the material change;
 - (b) revised and updated chart of the organisational structure of the proposed acquirer and, where relevant, of the group;
 - (c) outline of the material changes to the internal control and risk management framework and capabilities, including internal control and risk management functions, and risk appetite framework;
 - (d) outline of the material changes to the ICT security and risk management framework and systems, having regard to the requirements set out in Regulation (EU) 2022/2554¹⁰;
 - (e) envisaged transitional or new agreements with any third-party service providers of critical or important functions due to material changes following the proposed acquisition, including an outline of the material changes to the related policies.
3. Where the material acquisition does not provide the control of the target entity, the proposed acquirer shall submit a chart illustrating material changes to the organisational structure of the proposed acquirer and, where relevant, of the group following the proposed acquisition.

Article 6

Forecast financial and prudential information on the business plan

1. The business plan shall include the quantitative financial and prudential forecast information necessary to demonstrate the viability and the on-going sustainability of the pro-

¹⁰ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, p. 1).

posed acquirer's business model, and its capability to continue to comply with the applicable prudential requirements on a baseline and on a stress scenario basis for a period of at least three years from the acquisition of the material holding.

2. The financial and prudential projections shall be provided at all the applicable and relevant levels of prudential regulation (consolidated, sub-consolidated and individual).
3. The business plan assumptions shall be credible and realistic and shall rely on official macroeconomic forecasts elaborated by a Union or public national institution.
4. The planning assumptions for the financial and prudential forecasts referred to in paragraph (6) shall set out the reliance and sensitivity to the expected performance of the target entity, and shall be accompanied by adequate supporting evidence, including the information referred to in Article 4.
5. The stress scenario shall be based on severe but plausible idiosyncratic and macro-economic adverse scenario and shall include management actions with related qualitative and quantitative impact.
6. The proposed acquirer shall submit the forecast financial information on the business plan, supporting the business model's viability and sustainability, including:
 - (a) forecast financial metrics including the main financial items (most material amount of assets, liabilities and income and loss items);
 - (b) forecast of the growth rates of the activities benefitting from the synergies of the acquisition, as used in the business plan with an explanation of the associated assumptions;
 - (c) forecast total exposure to the target entity and, where applicable, to the target entity's group (including any type of asset and off-balance sheet item).
7. The business plan shall contain the assessment of the impact of the acquisition on the risk level and control of the relevant financial and non-financial risks of the proposed acquirer, including:
 - (a) financial risks including credit, market, liquidity and leverage risks;
 - (b) operational risk, including ICT and cyber-security risks;
 - (c) significant risks related to the third-party service providers;
 - (d) inherent risks of ML/TF;
 - (e) environmental, social and governance risks.
8. Where applicable, the business plan shall substantiate the amount, sources and timing of any planned capital measures and debt issuances over the three-year time horizon.
9. The business plan shall include a description of the accounting treatment of the proposed material acquisition, including goodwill and intangible assets, based on the applicable accounting principles.
10. The business plan shall include the estimated impact of the proposed material acquisition on the applicable prudential ratios and requirements together with an explanation of the underlying assumptions and adjustments. This shall cover as a minimum the elements below, including the numerator and denominator of the determinations referred to in points (a)-(c):

- (a) forecast calculation of the CET1 ratio, T1 ratio, total capital ratio and leverage ratio demonstrating the continuous compliance with applicable capital requirements and buffers in accordance with Directive 2013/36/EU and Regulation (EU) No 575/2013;
- (b) forecast calculation of the ratio of the minimum requirement for own fund and eligible liabilities in accordance with, if applicable, Articles 92a, 92b and 494 of Regulation (EU) No 575/2013 or with Articles 45c to 45f of Directive 2014/59/EU;
- (c) forecast calculation of the liquidity coverage ratio and net stable funding ratio in accordance with Part Six of Regulation (EU) No 575/2013;
- (d) where applicable, forecast calculation of specific liquidity requirements set out in Article 104(1)(k) of Directive 2013/36/EU;
- (e) forecast determination of any concentration risk towards the target entity or its group;
- (f) forecast calculation of the impact on any additional quantitative and qualitative measures applicable to the proposed acquirer;
- (g) forecast calculation of the large exposures requirement in accordance with Part Four of Regulation (EU) No 575/2013;
- (h) where the integration or the material change of internal models is envisaged, the timeline for the related prudential application, implementation, and the estimated impact on capital ratios for the relevant risk areas or portfolios.

Where capital waivers in accordance with Article 7, or permissions under Article 9 or a waiver under Article 10, or liquidity waivers under Article 8 of Regulation (EU) No 575/2013 have been granted by the competent authority, the proposed acquirer shall not be required to submit the information at the waived levels.

The notification shall also include the metrics set out in points (a) to (h) of this paragraph determined computing the proposed material acquisition and without computing the proposed material acquisition.

Article 7

Reduced information requirements

1. The proposed acquirer shall be exempted from submitting the information or documents that are already in possession of the competent authority to which the notification is submitted by virtue of its ongoing supervision or for purposes of specific procedures.

The proposed acquirer shall submit a declaration indicating the exact information referred to in Articles 2 to 6 that has not been submitted because already in possession of the competent authority stating that such information is true, accurate and up-to-date.

2. Taking into account the circumstances of the acquisition, such as public offers or hostile acquisitions, the proposed acquirer shall bring to the competent authority's attention issues with the submission of a comprehensive notification, and in particular the potential need to amend the business plan following the completion of proposed acquisition. In such cases, the proposed acquirer shall submit the information within its availability, to the extent satisfactory to the prudential assessment by the competent authority.

3. By derogation to Articles 2 to 6, where the proposed acquisition of a material holding is conducted between entities of the same group as referred to in Article 113(6) of Regulation (EU) No 575/2013 or between entities within the same institutional protection scheme, as referred to in Article 113(7) of that Regulation, the notification submitted by the proposed acquirer shall contain at least the following information:
 - (a) a description of the strategic rationale of the material acquisition, including whether it is a strategic or portfolio investment;
 - (b) the impact of the proposed acquisition on the proposed acquirer's business model;
 - (c) the impact on relevant forecast prudential ratios and requirements;
 - (d) material changes to the internal governance following the proposed acquisition, including explanation of the integration process, where applicable; and
 - (e) outline of envisaged impact on the internal governance including from AML/CFT perspective.

Consultation question

2. Do you consider that proportionality is well embedded in this Chapter 1, in particular regarding the list of information laid down for specific cases of material acquisitions referred to in Article 7(3)?

Article 8

Information to be used for the prudential assessment of proposed material acquisitions

1. For purposes of the assessment of the proposed material acquisition in accordance with the criteria set out in Article 27b(1) of Directive 2013/36/EU, the competent authority shall review all the relevant information on the proposed material acquisition submitted with the notification or otherwise in its possession.
2. With specific regard to the assessment of point (b) of Article 27b(1) of Directive 2013/36/EU, in addition to the information referred to in paragraph (1), the competent authority shall base its assessment on the supervisory findings and other information received in exchanges with the authorities consulted in accordance with Article 27b(2) of that Directive, including:
 - (a) supervisory measures, sanctions or penalties, concluded or on-going investigations or proceedings relating to material deficiencies or serious violations of Directive 2015/849 or of national legislation on AML/CFT imposed upon the proposed acquirer, as well as reports, statements or other available and reliable information about any actions undertaken to remedy any material deficiency or breach of the AML/CFT framework;
 - (b) any criminal convictions for ML/TF or sanctions for breach of anti-money laundering or countering terrorist financing requirements imposed by the competent authority or the authority designated under Directive (EU) No 2015/849 in the past ten years, in respect of the members of the management body of either the proposed acquirer, and where available, the target entity;

- (c) other relevant information received by the competent authority from other national authorities such as the Financial Intelligence Unit (FIU), law enforcement or tax authority, as relevant;
- (d) any publicly available information, or reports, if any, drawn up by international organisations or standard setters with competence on AML/CFT regime.

Article 9

Assessment of the business plan including internal governance

1. The assessment of the business plan, including the internal governance shall reflect proportionality and shall be calibrated having regard to the materiality of the acquisition for the proposed acquirer, including the extent to which the proposed acquisition exceeds the materiality threshold set out in Article 27a(2) of Directive 2013/36/EU, the size, complexity and risk profile of the proposed acquirer and of the target entity, the size of the material holding, including whether it provides the control over the target entity.
2. Competent authorities shall achieve a clear understanding of any material changes to the business model, profitability and associated risk profile of the proposed acquirer, and of how such material changes will be addressed to ensure a sound and effective internal governance at individual or consolidated level.
3. Where applicable, the competent authority shall also review the plan referred to in Article 5(2), with a view to assessing its comprehensiveness in covering material changes, the logic sequence of the various phases and the plausibility of their effective implementation in the indicated timeline.
4. The competent authority shall assess whether the proposed acquisition is consistent with the institution's risk appetite framework and whether any amendment or mitigation measures may be necessary after the proposed acquisition.
5. The competent authority shall consider whether following the material acquisition, there will be any obstacle which may prevent the effective supervision on an individual or consolidated basis.

Article 10

Assessment of the financial forecasts and of continuous compliance with prudential requirements

1. For assessing the financial forecasts, the competent authority shall review the credibility of the underlying assumptions, having regard among others to their consistency with the overall strategy and business plan.

The competent authority shall also review the risk assessments referred to in Article 6(7), and evaluate how they have been taken into account in the financial and prudential forecasts, including any discount from profitability, growth or other positive indicators.

2. Where the proposed acquisition significantly exceeds the materiality threshold or provides the control of the target entity to the proposed acquirer, the competent authority shall pay special attention to the risks linked to the target entity, including concentration of the activities in specific business segments or target markets, to the level of total exposure to the target entity or entities of its group, to the potential materiality of projected revenues dependent on the dividend distribution by the target entity. For this purpose, the competent authority shall have regard, among others, to the profitability forecasts of the target entity

for at least the three years following the proposed acquisition and the influence that the proposed acquirer will be able to exercise on the governance of the target entity.

3. The competent authority shall use the conclusions of the assessment of the business plan submitted under Article 5, and of the financial and prudential forecast submitted under Article 6(6) to assess the forecast determinations of the continuous compliance with prudential ratios and requirements referred to in Article 6(9) and in other applicable Union legal acts.
4. The competent authority shall review the impact on the calculation of the prudential ratios and requirements of the allocation of the purchase price of the material holding, including goodwill or goodwill, and shall assess the opportunity of adopting mitigation or supervisory measures.

Article 11

Assessment of the proposed acquisition from an AML/CFT perspective

1. The competent authority shall cover any money-laundering or terrorist financing risk which may arise or increase as a result of the acquisition of the material holding. For this purpose, specific attention shall be paid to the risk factors linked to the target customers, target markets, revenue generating mechanisms, as well as changes to the organisational structure, including to the AML/CFT governance, processes and systems.
2. Where the funding for the proposed acquisition is borrowed, the competent authority shall review the information submitted in accordance with Article 3(3), point (c), paying attention to the choice of the lender, the structuring of the financing, the reasons for requesting a financing and the origin of the funding.
3. The competent authority shall also verify that the borrowed funds or other financial means used for the material acquisition are channelled through chains of financial institutions, all of which are subject to effective AML/CFT supervision by competent authorities in the EU or in non-EU countries which, on the basis of credible sources such as mutual evaluations, detailed assessment reports or published follow-up reports, have requirements to combat ML/TF consistent with the Recommendations issued by the Financial Action Task Force and effectively implement those requirements.
4. The competent authority shall take into account the circumstances and the context of the acquisition, and may give relevance to the poor quality of any submitted information or information liable to give rise to suspicion, even after the fulfilment of the competent authority's request for missing or additional information in accordance with Article 27a(9) or (10) of Directive 2013/36/EU, to oppose the proposed acquisition where there is still reasonable suspicion of commitment or increase of ML/TF risk.
5. In case of adoption of a negative opinion by the AML/CFT supervisor in accordance with Article 27b(3), second subparagraph, of Directive 2013/36/EU, the competent authority shall assess the prudential impact of the ML/TF risk assessed by the AML/CFT supervisor on the proposed acquirer and the opportunity and adequacy of mitigation measures based on Article 104(1) of Directive 2013/36/EU.

For purposes of this paragraph, the competent authority shall take into account the proposed acquirer's compliance history and the robustness of its governance and risk management framework.

Article 12

Submission of the notification by the proposed acquirer

1. The proposed acquirer shall submit the notification to the competent authority with all the required information and documents, via electronic means indicated on the competent authority's website.
2. Where national law requires that specific documents have to be submitted in original, the information submitted in paper form shall prevail over that submitted via electronic means. The competent authority shall publish on its website the list of documents to be provided in original paper form and the contact details for submitting such paper form documents.

Article 13

Process applicable to the notification and to the prudential assessment

1. The acknowledgment of receipt provided by the competent authority in accordance with Article 27a(5) of Directive 2013/36/EU shall be without prejudice to the request of missing information, or additional information in accordance with Article 27a(9) of Directive 2013/36/EU, and shall not affect the outcome of the substantive assessment of the notification of the proposed acquisition, including the potential opposition to such material acquisition by the competent authority.

The competent authority shall acknowledge the receipt of a complete notification to the proposed acquirer following the assessment that the notification is complete of all documents specified in Article 27a(6) of Directive 2013/36/EU and with the appropriate level of detail to carry out the prudential assessment. Such acknowledgement of receipt shall include the date of receipt of the complete notification or, as the case may be, the date of receipt of the missing information that completes the notification. The assessment period referred to in Article 27a(6) of the same Directive shall only commence from the date of such written acknowledgment of receipt.

2. Where the competent authority considers that the notification is not complete, the competent authority shall list the missing information in the acknowledgement of receipt or in a separate communication to be provided without delay and in any case within a reasonable time from the acknowledgment of receipt of the incomplete notification.
3. The acknowledgement of receipt of an incomplete notification or the separate communication listing the missing information shall indicate the contact details, the modalities and the deadline for the submission of the missing information to the competent authority by the proposed acquirer.
4. The acknowledgment of receipt shall be sent by the competent authority to the proposed acquirer by electronic means.
5. In the case envisaged by Article 27a(3) of Directive 2013/36/EU, where the proposed acquirer is an institution and the materiality threshold is reached both on an individual basis and on the basis of the consolidated situation of the group, the competent authority and the consolidating supervisor shall endeavour to consult each other in accordance with Article 9 of Implementing regulation (EU) No. 20xx/xx [on common procedures, forms and templates for the consultation process between the relevant competent authorities under Articles 27c and 27k of Directive 2013/36/EU] before sending the acknowledgement of receipt of the notification, irrespective of whether any of them considers the notification complete or incomplete.

6. Where the proposed acquisition concerns direct or indirect qualifying holdings in a credit institution in accordance with Article 22(1) of Directive 2013/36/EU, or in a financial sector entity subject to prior prudential assessment, the competent authority shall endeavour to consult the competent authority of the target entity in accordance with Article 3(4) of Implementing regulation (EU) No. 20xx/xx [on common procedures, forms and templates for the consultation process between the relevant competent authorities under Articles 27c and 27k of Directive 2013/36/EU] , irrespective of whether it considers the notification complete or incomplete.
7. The proposed acquirer is encouraged to engage in contacts with the competent authority prior to the formal submission of the notification, in particular in cases where the notification and assessment of the proposed acquisition entails coordination between different competent authorities.
8. Where relevant for the review of the projected minimum level of own funds and eligible liabilities set out in Articles 92a, 92b and 494 of Regulation (EU) No 575/2013 or Articles 45c to 45f of Directive 2014/59/EU, the competent authority shall endeavour to liaise with the resolution authority of the proposed acquirer.

Consultation question

3. Does Article 13 on process sufficiently encompass the different use-cases on material acquisitions?

Chapter 2

Material transfer of assets or liabilities

Article 14

Information on the notifying entity and the proposed operation

1. The notification to be submitted to the competent authority in accordance with Article 27f(1) of Directive 2013/36/EU by an institution, financial holding company or a mixed financial holding company under Article 21a of Directive 2013/36/EU that intend to transfer assets or liabilities or to which assets or liabilities are intended to be transferred ('notifying entity'), shall include the following:
 - (a) information set out in Article 2 in respect of the notifying entity and the following information in respect of the other entity involved in the proposed operation:
 - (i) its name, the address of its registered office and the indication whether it is part of the same group of the notifying entity;
 - (ii) an overview of its business activities, except where it belongs to the notifying entity's group.
 - (b) information on the proposed operation:
 - (i) description of the assets or liabilities to be transferred, such as specific assets or liabilities, or any combination of assets or liabilities;
 - (ii) in case of partial or total transfer of a line of business, description of such line of business with identification of the relevant assets and liabilities, the target customers, the target markets, the list of countries where the related risks are located and key financial figures;

- (iii) in case of transfer of pool of assets and liabilities, description of the type of assets and liabilities, any accompanying security or guarantees or hedging agreement, the types of counterparties, the economic sector which the assets and liabilities relate to;
 - (iv) explanation of the business rationale of the proposed operation, such as whether it is executed in the ordinary course of business, or in the context of intra-group reorganisation, including as implementation of a recovery option;
 - (v) description of the legal terms of the proposed operation and of the timeline for its execution.
- (c) description of the determination of materiality threshold in accordance with paragraph (2), including the criteria used to determine the purchase price - such as multiples, profitability of the transferred assets or liabilities -, the accounting treatment of the purchase price, and the agreed means of payment;
2. The materiality threshold set out in Article 27f(2) of Directive 2013/36/EU shall be determined as the greater of:
- (a) the ratios, separately calculated for assets and liabilities, between the purchase price of the transferred assets or transferred liabilities and the book value of the total assets or of the total liabilities recorded on the latest available financial statements of the notifying entity; or
 - (b) the ratios, separately calculated for assets and liabilities, between the book value of the transferred assets or transferred liabilities and the book value of the total assets or of the total liabilities recorded on the latest available financial statements of the notifying entity.

Where the notifying entity is a financial holding company or a mixed financial holding company under Article 21a(1) of Directive 2013/36/EU, such values shall be those reported at consolidated level in the latest reporting submission in accordance with Commission Implementing Regulation (EU) No 2021/451.

Article 15

Information relating to the transferee following the proposed operation

1. Where the notifying entity is the transferee, the notification shall include the information set out in Article 3(3), points (a) to (c), and a business plan with the information set out in Article 5(1) applicable *mutatis mutandis*.
2. The transferee shall also submit a description of all material changes to the internal governance, demonstrating its ability to support such material changes following the proposed operation, including all the following information, as available:
 - (a) outline of material changes to internal governance arrangements, including the integration of IT systems, staff, operations and reporting lines, with related timeline;
 - (b) outline of the material changes to the internal control and risk management framework and capabilities, including internal control and risk management functions and of the risk appetite framework;
 - (c) outline of the material changes to the ICT security and risk management framework and systems, having regard to the requirements set out in Regulation (EU) 2022/2554;

- (d) indication of envisaged transitional or new agreements with third-party service providers of critical or important functions with an outline of the material changes to the related policies;
- 3. The business plan referred to in paragraph (1) shall contain the necessary quantitative financial forecast information and prudential information to demonstrate the viability and the on-going sustainability of the transferee's business model, and its capability to continue to comply with the applicable prudential requirements on a baseline and on a stress scenario basis for a period of at least three years from the proposed operation. It shall include all the following as applicable:
 - (a) the information set out in point (a) of Article 6(6);
 - (b) the information set out in Article 6(9), as applicable.

For purposes of point (b), the transferee shall also provide a comparison of all the metrics set out in point (a) to (i) of Article 6(9) computing and without computing the proposed material operation.

Where the proposed operation involves the transfer of deposits, the transferee shall demonstrate to have taken into account the impact of the contribution to the deposit guarantee scheme and to the resolution fund.

- 4. The financial and prudential forecasts shall be provided at all the relevant and applicable levels of prudential reporting (consolidated, sub-consolidated and individual).
- 5. The stress scenario shall be based on severe but plausible idiosyncratic and macro-economic adverse scenario and shall include management actions.
- 6. The business plan assumptions shall be credible and realistic and shall rely on official macroeconomic forecasts elaborated by a Union or public national institution.

Article 16

Information relating to the transferor following the proposed operation

The transferor shall include in the notification the description of the material changes to the business model, the impact on profitability and the following information, as applicable, in a baseline scenario basis for a three-year time horizon following the proposed operation:

- (a) the forecast financial and prudential information supporting the business model's viability and sustainability, including the forecast accounting plans with the main financial metrics together with a comparison of such metrics computing and without computing the proposed material operation.
- (b) information set out in Article 6(9), points (a) to (i);

Where the transferor is an institution and involves the transfer of deposits, the notification shall describe envisaged steps to comply with Article 16(6) of Directive 2014/49/EU.

Article 17

Proportionality and reduced information

For the purposes of this Chapter 2, Article 7(1) and (2) apply *mutatis mutandis*.

Consultation question

4. Do you agree with the list of information to be submitted in case of a material transfer of assets or liabilities, in particular the differentiation between transferee and transferor?

Chapter 3 Mergers

Article 18

Identification of the entities involved in the merger

1. The notification submitted by the merging financial stakeholder shall include the information set out in Article 2 in respect of the merging financial stakeholder and of the entity being merged.
2. The notification shall also include the following information about the entity being merged:
 - (a) where it is a legal person registered in a national business register referred to in Article 16 of Directive (EU) 2017/1132 of the European Parliament and of the Council, the name of the register in which that legal person is registered, the registration number and the European unique identifier (EUID), and a copy of the registration certificate;
 - (b) where it is a financial sector entity, the Legal Entity Identifier, where available;
 - (c) a chart with the capital structure and voting rights in the entity being merged, identity of the direct and indirect shareholder or member controlling the entity being merged, alone or acting in concert with other shareholders or members, where available;
 - (d) detailed description of its business activities;
 - (e) where it is part of a group, as a subsidiary or as the parent undertaking, a detailed chart of the group structure, information on the shareholdings in the form of capital or voting rights in the entities of the group and overview of the activities performed by the group entities together with the related geographic outreach;
 - (f) where it is subject to supervision, the name of the relevant supervisory authority and, where applicable, identification of any financial sector entity within the group and of the relevant authority.

Article 19

General information on the proposed merger

1. The notification shall include the following information on the proposed merger:
 - (a) the draft terms of the proposed merger;

- (b) a chart with the description of the proposed merger indicating the entities involved in the merger and, where applicable, the groups they belong to, before and after the proposed merger;
- (c) where applicable, the notification shall contain:
 - (i) a clear explanation of the share exchange ratio including:
 - the type, number and nominal value of the securities or shares issued or exchanged for each of the entities involved in the merger;
 - the percentage of capital or voting rights represented by such issued or exchanged securities or shares for each of the entities involved in the merger;
 - where available, the market value of the securities or shares of each of the entities involved in the merger;
 - the terms relating to the allotment of shares or securities in the merging financial stakeholder;
 - (ii) the amount of cash payment to the shareholders or members of the entity being merged, if any;
- (d) the envisaged timeline for the execution of the proposed merger;
- (e) the timeline for the share exchange and any cash payment;
- (f) description of the financing of the proposed merger by the merging financial stakeholder and, where it does not derive from its business activities, the related sources of funding, including the information set out in Article 3(3) points (a) to (c) as applicable *mutatis mutandis*;
- (g) detailed description of material rights and obligations of the entity being merged in which the merging financial stakeholder succeeds;
- (h) the date from which the holding of securities or shares in the merging financial stakeholder issued or transferred for the proposed merger entitle the holders to participate in profits and any special conditions affecting that entitlement;
- (i) the date from which the transactions of the entity being merged shall be treated for accounting purposes as being those of the merging financial stakeholder;
- (j) where available, the valuation report with indication of the methodology used and, where applicable, the examination of the draft terms of merger by experts as per Article 96 or Article 125 of Directive (EU) 2017/1132;
- (k) indication as to whether the proposed merger only involves financial stakeholders from the same group, as referred to in Article 27i(2) of Directive 2013/36/EU, how long they have been part of the same group and the share of the group's total assets represented by the merging financial stakeholder following the merger;

- (l) the internal approval documents of the proposed merger by the merging financial stakeholder and where applicable, having regard to the modality of the merger, of the entity being merged, including the minutes of their management bodies.
2. Where the proposed merger does not fall in the cases covered by Article 24(2) or (3), the notification shall also include:
- (a) the description of any impact on the prudential consolidation perimeter of the merging financial stakeholder, following the execution of the proposed merger, as well as the indication of the group the merging companies will belong to;
 - (b) where available, the due diligence report; and
 - (c) by derogation to Article 23(4) point (a), the forecast balance sheet and income statement, including detailed indication of the envisaged sources of revenues, fixed and variable costs, transaction and integration costs.

Article 20

Financial information on the entities involved in the merger

The notification shall contain the following financial information, at individual and, where applicable, at consolidated and sub-consolidated group level, on the entities involved in the merger:

- (a) the statutory financial statements covering the three financial years preceding the notification, including:
 - (i) the annual reports, with the financial statements (namely the balance sheet, the profit and loss accounts or income statements and, where available, the cash flow statements);
 - (ii) the supplementary notes to the financial statements.
- (b) the information requested under Article 4, points (c) to (e) which shall apply *mutatis mutandis*.

Where applicable, the information set out in point (a) shall be submitted as approved by the statutory auditor or audit firm as defined in Article 2, points (2) and (3), of Directive 2006/43/EC of the European Parliament and of the Council.

Where any entity involved in the proposed merger has been set-up within the year preceding the notification, in the absence of the financial statements referred to in point (a), it shall submit an updated summary of the financial situation as close as possible to the date of notification.

Article 21

Information on the reputation of the merging financial stakeholder

1. The notification submitted by the merging financial stakeholder shall contain:
 - (a) a declaration stating that in the past 10 years the financial stakeholder did not incur into events that have been considered affecting its good repute by any competent authority or authority;

- (b) a declaration stating that no event has occurred that may affect the reputation of each member of its management body in management function since the suitability assessment for their appointment or where applicable, since the last update submitted to the competent authority, and that the relevant information is still true, accurate and update.

Where any event that may impact the reputation under points (a) or (b) has occurred, the merging financial stakeholder shall submit a declaration indicating that event, together with the relevant documentation or certificates if applicable.

2. Where the merging financial stakeholder envisages the appointment of one or more members of the management body in the context of the proposed merger and the identity of these members is already known, the notification shall contain all the information set out in Delegated Regulation [XXX/XXXX RTS on documentation to be submitted to competent authority for suitability assessment of members of the management body and key function holders of large institutions under Article 91(10) of Directive 2013/36/EU for each such proposed member] or, in case of non-large institutions, the information required for the suitability assessment of the members of the management body in accordance with Article 91(1) of Directive 2013/36/EU.

Article 22

Information on the business plan including the internal governance

1. The merging financial stakeholder shall submit a business plan covering at least the three years following the proposed merger, describing at least all the following:
 - (a) the business rationale and the business strategy of the proposed merger;
 - (b) the information requested under Article 5(1), points (a) to (c) which shall apply *mutatis mutandis*;
 - (c) the integration costs and expected dyssynergies.
2. The merging financial stakeholder shall provide a description of the internal governance arrangements, following the proposed merger, including:
 - (a) the envisaged organisational structure, management body and committees;
 - (b) any envisaged changes to administrative and accounting procedures and internal control and risk management framework, including the appointment of any new key functions holder and an outline of envisaged material changes to the remuneration policy;
 - (c) the information requested under Article 5(1), point (f).
3. As part of the business plan, the merging financial stakeholder, shall submit an implementation plan approved by the management body, including:
 - (a) general information on the integration project, at least all the following:

- (i) integration strategy, including the description of potential transfers of assets or liabilities or business lines;
 - (ii) envisaged timelines, milestones, and critical aspects of the envisaged integration process;
 - (iii) governance of the implementation plan, including the role of the management, the workstream arrangements broken down by function and their interlinkages, related allocated resources, and responsible organisational units;
 - (iv) foreseen reporting frequency to the competent authority on the progress of the implementation plan;
 - (v) integration risk register, including a description of key risks and mitigations, and
 - (vi) business continuity and fallback plans for each critical function;
- (b) where relevant, the communication plan, describing how to inform internal and external stakeholders about the proposed merger and the potential consequences. Where the merger entails the transfer of deposits, the communication plan shall describe envisaged steps to be taken to comply with Article 16(6) of Directive 2014/49/EU;
- (c) the staffing and retention plan, including information on the integration of human resources of the entities involved in the merger and information from a legal, financial and procedural perspective;
- (d) the commercial plan, including details on cross-selling activities and initiatives;
- (e) information on the service agreements which will be concluded, including for a transitional period, terminated or that have been agreed to be continued with the third-party service providers of the entity being merged;
- (f) the plan to integrate and update the risk management framework, including the risk appetite framework and internal control functions;
- (g) the ICT integration plan, including a description of at least the following:
- (i) the envisaged approach, together with fall back scenario in case the integration plan presents a high degree of complexity;
 - (ii) the envisaged overall ICT architecture including information on ICT staff, ICT third-party service providers of critical or important functions referred to in Article 28(2) of Regulation (EU) 2022/2554, the data flowchart, the in-house and external software used and the essential data and systems security procedures and tools including back-up;
 - (iii) the future ICT risk management infrastructure and data aggregation capabilities;

- (h) information on any new or materially changed policy and agreement with third-party service providers, including of critical or important functions, with indication of the business or organisational areas concerned, the selection of service providers, the quality of service expected from the providers, and the respective rights and obligations of the principal parties as set out in contracts such as audit arrangements;
- (i) the integration and update of the prudential and internal reporting, as well as potential additional reporting levels;
- (j) if applicable, envisaged processes for the transfer of deposits under Article 16(6) of Directive 2014/49/EU on deposit guarantee schemes.

Where the entities involved in the merger have the same ICT architecture and systems in place, the information under point (g) of paragraph (3) shall be replaced but an outline of the ICT integration plan.

Article 23

Forecast financial and prudential information on the business plan

1. The business plan shall include the quantitative financial and prudential forecast information necessary to demonstrate the viability and the on-going sustainability of the business model, and the capability to continue to comply with the applicable prudential requirements on a baseline and on a stress scenario basis for a period of at least three years from the proposed merger.
2. Article 6(2), (3), (5) and (7) to (9) shall apply *mutatis mutandis*.
3. The planning assumptions for the financial and prudential forecasts shall set out the reliance and sensitivity to the expected achievement of the net synergy potential, and shall be accompanied by adequate supporting evidence, including the information referred to in Article 20.
4. The business plan shall include a comparison of forecast financial metrics computing the proposed merger and without computing the proposed merger, including:
 - (a) forecast financial metrics including the main financial items (namely, most material amount of assets, liabilities and income and loss items), the envisaged sources of revenues (such as interests, fees or dividends receipts), fixed and variable costs (notably labour, ICT, third-party arrangements, transaction and integration costs);
 - (b) forecast of the growth rates of the activities benefitting from the synergies of the proposed operation, as used in the business plan with an explanation of the associated assumptions;
 - (c) forecast of provisional intra-group transactions.
5. Where the proposed merger involves the transfer of deposits, the merging financial stakeholder shall demonstrate to have taken into account the impact of the contribution to the deposit guarantee scheme and to the resolution fund.

6. The business plan shall include the estimated impact of the proposed merger on the applicable prudential ratios and requirements set out in Article 6(10), points (a) to (h), and where applicable, and on a best effort basis, estimate of additional own funds requirements and guidance as per Article 104a and 104b of Directive 2013/36/EU for the merging financial stakeholder. These estimates shall be informed by the additional own funds requirements and guidance applicable to the entities involved in the merger prior to the merger and shall be accompanied by a description of their consistency with the forecast risk assessments in Article 6(7) and the capital measures in Article 6(8).

Article 6(10), second sub-paragraph shall apply *mutatis mutandis*.

The notification shall also include the metrics set out in paragraph (6) determined computing the proposed merger and without computing the proposed merger.

Article 24

Reduced information requirements

1. For the purposes of this Chapter 3, Article 7(1) and (2) of this Regulation apply *mutatis mutandis*.
2. The notification shall include at least the information listed in points (a) to (e), where the conditions set out in the second sub-paragraph are met:
 - (a) the information set out in Articles 18, 19 and 21;
 - (b) the timeline of the execution of the proposed merger;
 - (c) a description of the impact of the proposed merger from an AML/CFT perspective;
 - (d) the estimated impact, if any, of the proposed merger on the applicable prudential ratios and requirements at the relevant prudential levels, demonstrating the ability of the merging financial stakeholder to continue to comply with the applicable prudential framework based on the submitted underlying assumptions, for the three years following the execution of the proposed merger;
 - (e) a description of the integration project with the related timeline and the governance.

This paragraph applies when:

- (a) the total assets of any entity being merged are equal or lower than EUR 1 billion;
 - or
 - (b) the sum of the total assets of the entities involved in the merger is equal or lower than EUR 5 billion;
3. Where paragraph (2) does not apply, the notification shall include at least the information listed in points (a) to (d), where the conditions set out in the second sub-paragraph are met:
 - (a) the information set out Articles 18-21, where applicable;
 - (b) a description of the business strategy and impact of the proposed merger on the business model, including the elements set out in Article 22, paragraph (1), point (a) to (c);

- (c) the estimated prudential impact, if any, of the proposed merger on the prudential ratios and requirements at relevant prudential levels demonstrating the ability of the merging financial stakeholder to continue to comply with the applicable prudential requirements including the elements in Articles 6(7)-(9) and 23(4) to (6) for the three years following the execution of the proposed merger. For that purpose, the business plan shall rely on credible and realistic assumptions as per Article 6(2) and on severe but plausible adverse scenario as per Article 6(5);
- (d) description of the integration project including the governance structure and arrangements from a prudential and AML/CFT perspective, with a focus on the integration of the risk management framework and internal control functions, IT and critical systems, operational continuity and resilience capabilities, and the envisaged timelines, milestones, and critical aspects of the envisaged integration process.

The first sub-paragraph shall apply when the proposed merger will not alter the prudential consolidation perimeter following the execution of a proposed merger that concerns:

- (i) credit institutions that are permanently affiliated to a central body and which are supervised as a group; or
- (ii) entities, including financial stakeholders, of the same consolidating group.

The first sub-paragraph shall also apply when the higher of the ratios between the purchase price or the book value of the entity being merged and the eligible capital of the merging financial stakeholder as reported in the latest reporting period in accordance with Commission Implementing Regulation (EU) 2021/451¹¹ is lower than 15%. Material changes affecting the calculation of the merging financial stakeholder's eligible capital occurred after the latest submission period shall be separately submitted by the merging financial stakeholder, together with an explanation of their impact on the determination of the eligible capital.

4. Where the proposed merger requires the approval of a financial holding company or a mixed financial holding company in accordance with Article 21a(1) of Directive 2013/36/EU, the notification to be submitted in accordance with Article 21a(10) of that Directive shall cover the information set out in Articles 18, 19, 22 and 23. Where paragraphs (2) or (3) apply, the information set out in Articles 22 and 23 shall be replaced by the information requested in that applicable paragraph.
5. Where Directive 2017/1132 applies, the merging financial stakeholder shall be exempted from the submission of the information set out in Articles 19 to 22 to the extent it is covered by the documents listed in the provision below and that shall be included in the notification:
 - (a) Article 97(1) and (2) of that Directive, in case of domestic merger; or
 - (b) Articles 122, 124 and 125 of that Directive, in case of cross-border merger, and in Article 132 of that Directive when the circumstances mentioned therein are met.

¹¹ Commission Implementing Regulation (EU) 2021/451, laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (OJ L 97, 17.12.2020, p. 1).

In such cases, the merging financial stakeholder shall submit a declaration indicating the exact information that has not been submitted because covered by the documents listed in Directive 2017/1132.

Article 25

General principles for the prudential assessment of the proposed operations

1. For purposes of the assessment of the proposed merger, the competent authority shall review all relevant information as set out in Article 8 as applicable *mutatis mutandis*.
2. The assessment shall reflect proportionality and shall be calibrated having regard in particular to the: (i) size, systemic importance, nature, scale, complexity, and risk profile of the entities involved in the merger including where they operate in different financial sectors; (ii) complexity of the implementation plan; (iii) impact on the size, business model, governance, own funds or liquidity requirements and guidance, and risk profile of the merging financial stakeholder or its group and (iv) robustness of the submitted prudential forecasts.
3. The competent authority shall consider whether following the proposed merger, there will be any obstacle which may prevent the effective exercise of the supervision on an individual or the consolidated basis.

Article 26

Assessment of the reputation of the financial stakeholders involved in the proposed operation

1. The competent authority shall review the declarations submitted in accordance with Article 21 to verify that no event that may impact the reputation of the merging financial stakeholder or any member of its management body has occurred. For that purpose, the competent authority shall also consult the system for the exchange of information relevant to fit and proper assessments set-up in accordance with Article 31a of the Regulation (EU) No 1093/2010.
2. Where an event that may impact the reputation has occurred, the competent authority shall assess its impact on the reputation of:
 - (a) the merging financial stakeholder in accordance with the supervisory practices for the assessment of reputation of the proposed acquirer of qualifying holdings that is a legal person, under Article 23(1), point (a) of Directive 2013/36/EU;
 - (b) the members of the management body in management function of the merging financial stakeholder in accordance with the supervisory practices for the assessment of suitability of the members of the management body in accordance with Article 91(1) of the same Directive.
3. Where in connection with the proposed merger, the merging financial stakeholder envisages to appoint one or more new members of the management body, the competent authority shall assess the information submitted under Article 21(2) in accordance with the supervisory practices for the assessment of suitability of the members of the management body under Article 91(1) of the same Directive.

Consultation question

5. Do you consider that proportionality is sufficiently reflected in the threshold and cases covered by Article 24(2) and (3) as regards the requested set of reduced information and the related proportionate assessment set out in Articles 25 to 27?

Article 27
Assessment of the business plan including the implementation plan

1. The competent authority shall review the business plan including the implementation plan and the envisaged internal governance arrangements received under Article 22 or, as applicable, Article 24(2) or (3) focusing on the credibility of the proposed changes, having regard to the capabilities of the merging financial stakeholder to implement the proposed merger.
2. For assessing the forecasts of the merging financial stakeholder submitted with the notification, the competent authority shall review the credibility of the assumptions, having regard among others to their consistency with the overall strategy and business plan. The competent authority shall also review whether the financial forecasts reflect the risk assessments referred to in Article 6(7) applicable *mutatis mutandis*.
3. The competent authority shall review the elements of the implementation plan in Article 22(3) or of the integration project as per Article 24(2) or (3) as applicable, to assess their completeness, clarity, plausibility and soundness with regard to the proposed operation.
4. The competent authority shall pay particular attention to the calculation of the synergies (including synergies, dissynergies, and integration costs), their impact on profitability and capital and the assumptions around their materiality to comply with prudential requirements, focusing on the business areas and functions more significantly affected.
5. The competent authority shall consider whether the emergence of accounting goodwill has a material impact on the ability of the merging financial stakeholders to meet prudential requirements after the proposed merger. In such cases, the competent authority shall assess the opportunity of adopting mitigation or supervisory measures until the sustainability of the business model is firmly established.
6. The competent authority shall assess the information provided on the integration of the functional areas and related personnel resources of the merging companies, specifically paying attention to the credibility and financial impact of the retention plan and considering the personnel needs indicated by the envisaged operational model and risk management framework.
7. When reviewing the elements in Article 22(3), points (b) to (i), the competent authority shall in particular check:

- (a) whether the communication plan is sufficiently clear on the identification of the stakeholders and whether the means and content of communication are clear and adequate;
 - (b) the credibility of the commercial plan focusing on the activities and initiatives to achieve the estimated commercial synergies;
 - (c) the adequacy of the approach to (transitional) service agreements affecting critical or important functions;
 - (d) the completeness, clarity and plausibility of the plans to integrate risk management capabilities;
 - (e) the completeness, clarity and plausibility of the ICT integration plan;
 - (f) the comprehensiveness and soundness of the revised policies on third party providers and of the revised arrangements with third party providers;
 - (g) The completeness, clarity and plausibility of the change to reporting framework, reporting system and reporting levels, including the alignment to, and availability of, the underlying IT governance, infrastructure and systems.
8. In the cases covered by Article 24(2), second sub-paragraph, the assessment shall focus in particular on the governance and envisaged timelines, milestones and critical aspects of the envisaged integration process. The same approach shall apply to the assessment of proposed mergers covered by Article 24(3) and in addition the competent authority shall review whether the critical aspects of the integration process have been identified by the merging financial stakeholder and assess whether effective mitigants have been identified and put in place to address adverse outcomes or delays.
9. The competent authority shall review the information received under Article 23(6) or, as applicable, Article 24(2) and (3), and consider the additional capital requirements and guidance estimated by the merging financial stakeholder. This review shall take into account the additional capital requirements and guidance currently applicable to the entities involved in the merger and the competent authority's assessment of the forecast risk profile after the merger.
10. Where the merging financial stakeholder may be assessed as systemically important under Article 131 of Directive 2013/36/EU, the competent authority shall coordinate with the relevant macroprudential authorities in order to assess potential implications for financial stability and consider the plausibility and timelines of changes to the systemic designation and to the buffer requirements following the merger.
11. The competent authority shall use the conclusions of its review to assess the ability of the merging financial stakeholder to comply and continue to comply with the applicable prudential requirements post-merger in accordance with Directive 2013/36/EU and Regulation (EU) No 575/2013 and other applicable Union legal acts.

12. Where the proposed merger concerns credit institutions, the competent authority shall consider whether the implementation plan would have any impact on their contributions to the deposit guarantee schemes under Directive 2014/49/EU.

Furthermore, the competent authority shall pay attention that the authority responsible for the supervision of the deposit guarantee scheme is duly informed of the envisaged transfer of deposits.

Consultation question

6. Do you agree with the flexibility developed under Articles 23 and 27 in relation to badwill, Pillar 2 requirements and the assessment of systemic importance?

Article 28

Assessment of the proposed operation from an AML/CFT perspective

For purposes of assessing the criteria under Article 27j, point (e) of Directive 2013/36/EU, the competent authority shall follow the methodology set out in Article 11 that shall apply *mutatis mutandis*. When assessing the business plan, the competent authority in consultation with the AML/CFT supervisor shall identify any ML/TF which may arise or increase as a result of the proposed merger.

Article 29

Submission of the notification by the financial stakeholders carrying out the proposed merger

1. The merging financial stakeholders shall submit the notification to the competent authority identified in Article 27i(1) of Directive 2013/36/EU via electronic means as indicated on the competent authority's website.
2. Article 12, paragraph 2 shall apply *mutatis mutandis*.

Article 30

Process applicable to the notification and to the prudential assessment

1. Article 13, paragraphs 1 to 4, 7 and 8 shall apply *mutatis mutandis* to the process applicable to the notification and to the prudential assessment of the proposed merger.
2. Where the proposed operation involves only financial stakeholders from the same group, the assessment period referred to in Article 27i(4), second sub-paragraph, of Directive 2013/36/EU shall only commence from the date of the written acknowledgment of receipt of a complete notification and the timeline under Article 27i(5), second sub-paragraph shall apply.

Chapter 4

Divisions

Article 31

General provisions

1. For the purpose of this Chapter 4, where reference is made to the application *mutatis mutandis* of provisions in Chapter 3 of this Regulation, the terms below shall have the following meaning:
 - ‘merger’ shall mean ‘division’;
 - ‘entities involved in the merger’ shall mean ‘entities involved in the division’;
 - ‘merging financial stakeholder’ shall mean ‘financial stakeholder being divided’, except for Article 19(1), points (c), (f) to (i), Article 19(2), and Articles 21, 23, 24(2), point (d), 24(3), point (c), 24(3), third sub-paragraph, 26 and 27, where it shall mean ‘recipient entities’, and in case of divisions defined in Article 27h(2), points (d) and (e), of Directive 2013/36/EU, where it shall also mean ‘financial stakeholder being divided’; and
 - ‘entity being merged’ shall mean ‘recipient entities’, except for Article 19(1), points (c), n. (ii), (g) and (i), and for Article 22(3), point (e), Article 24(2), sub-paragraph (2), point (a), and Article 24(3), third sub-paragraph, where it shall mean ‘financial stakeholder being divided’.

Article 32

Information to be included in the notification submitted by the financial stakeholder being divided in case of proposed division

1. The financial stakeholder being divided shall include in the notification to the competent authority identified in Article 27i(1), second sub-paragraph, of Directive 2013/36/EU:
 - (a) the information or documents listed in Articles 18-23 as applicable *mutatis mutandis*, having regard to the terms of the proposed division; or
 - (b) where Directive (EU) 2017/1132 applies, the documents listed in:
 - (i) Articles 137(1) and (2), 141, 156 and 159 of that Directive, in case of domestic division; or
 - (ii) Article 160d, 160e, 160f of that Directive¹², in case of cross-border division;
 - (iii) any other relevant information or document listed in Articles 18-23 applicable *mutatis mutandis*, having regard to the terms of the proposed division.
2. Article 24 paragraphs (1) to (4) shall apply *mutatis mutandis*.

For purposes of point (b), the financial stakeholder being divided shall submit a declaration indicating the exact information that has not been submitted because covered by the documents listed in the referred articles of Directive (EU) 2017/1132.

¹² Draft terms of cross-border division under Article 160d of Directive 2017/1132/EU, the report of the administrative or management body for members and employees under Article 160e of that Directive, the independent expert report under Article 160f of the same Directive.

Article 33

Assessment of the notification of the proposed division

The competent authority shall assess the proposed division in accordance with Articles 25 to 28 as applicable *mutatis mutandis*, having regard to the terms of the proposed division.

Article 34

Process applicable to the submission of the notification and to the prudential assessment

1. Article 29 shall apply *mutatis mutandis* to the submission of the notification by the financial stakeholder(s) being divided.
2. Article 30 shall apply to the process applicable to the notification and to the prudential assessment of the proposed division *mutatis mutandis*.

Consultation question

7. Do you think the draft RTS is sufficiently clear, comprehensive and suitable for each material operation / adequate for a smooth proceeding?

Chapter 5 Final provisions

Article 35

Amendment to Commission Delegated Regulation (EU) No 2022/2580

Commission Delegated Regulation (EU) 2022/2580 is amended as follows:

After Article 9, a new Article 9a is inserted:

“Article 9a

Additional information in case of a merger or division

1. When the application for authorisation as credit institution is submitted in the context of a merger or a division, as defined in Article 27h, point (1), letter (c) and point (2) of Directive 2013/36/EU, the application shall contain the following elements:
 - (a) information pursuant to Article 18(2), points (d) to (f) and Article 19 of the [Regulatory Technical Standards on the minimum information to be provided, the common assessment methodology of assessment criteria and process applicable to the notification and the prudential assessment of acquisitions of a material holding, material transfer of assets or liabilities, mergers and divisions];
 - (b) an implementation plan, describing the integration of the entities involved in the merger in case of merger, or of the entities involved in the division in case of division, into the applicant credit institution, in accordance with Article 22(1), point (a)

to (c), and in Article 22(3), points (a) to (i) of the [*Regulatory Technical Standards on the minimum information to be provided, the common assessment methodology of assessment criteria and process applicable to the notification and the prudential assessment of acquisitions of a material holding, material transfer of assets or liabilities, mergers and divisions*]. Where Article 24(2) or (3) of that Regulation apply, the referred information set out in Article 22 shall be replaced with the information listed in the relevant paragraph (2) or (3) of that Regulation.

Consultation questions

8. Do you agree with the information requested in case of a merger or division requiring the authorisation of a credit institutions via the amendment to Commission Delegated Regulation (EU) No 2022/2580 under Article 35?

9. Do you think the draft RTS is sufficiently clear, comprehensive and suitable for each material operation / adequate for a smooth proceeding?

Article 36

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the Commission
The President*

*[For the Commission
On behalf of the President*

[Position]

COMMISSION IMPLEMENTING REGULATION (EU) .../...

of **XXX**

laying down implementing technical standards for the application of Directive (EU) 2024/1619 of the European Parliament and of the Council, amending Directive 2013/36/EU, with regard to procedures, forms and templates for the consultation process between the relevant competent authorities under Articles 27c and 27k of Directive 2013/36/EU

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,
Having regard to Directive (EU) 2024/1619 of the European Parliament and of the Council, amending Directive 2013/36/EU¹³, and in particular Articles 27c (5), third subparagraph and 27k (3), fourth subparagraph thereof,

Whereas:

- (1) For the purpose of organising cooperation between the competent authority in charge of the assessment of the proposed acquisition of material holdings ('proposed acquisition') or proposed merger or division ('proposed operation'), and the other competent authorities involved in the proposed acquisition or proposed operation, common procedures, forms and standard templates have been developed. In each case, the relevant competent authorities should consult and provide each other with the requested information and any other essential information.
- (2) Considering that the mandates for implementing technical standards conferred to the EBA under Article 27c(5) and under Article 27k(3) are articulated along the same terms, and having regard to the similarity of the cooperation procedure between different competent authorities or authorities in case of proposed acquisitions and in case of proposed operations, such mandates have been merged into one single implementing technical standards for regulatory simplification. In particular, given that the cooperation process is the same regardless of the specific material operation at stake, Chapter 1 applies to both material acquisitions and mergers or divisions. Conversely, Chapters 2 and 3 only apply to material acquisitions since they focus on specificities of this material operation. To facilitate the cooperation between competent authorities or authorities supervising other financial sector entities and ensure efficiency in

¹³ Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks, OJ L 2024/1619, 19.6.2024, 68 p.

their exchange of information, competent authorities should designate dedicated contact points for the consultation process referred to in Articles 27c and 27k of Directive 2013/36/EU and make such contact point publicly available on their websites.

- (3) With regard to mergers and divisions, it should be noted that the 60 working-day assessment period only applies to intra-group proposed operations while no specific timeline is set out in Directive 2013/36/EU for the completion of the prudential assessment of mergers or divisions with externals. Therefore, specifications on the requirement to send the consultation notice as soon as possible after the commencement of the assessment period have been provided for both cases.
- (4) The consultation process between the competent authority and the authorities of other financial sector entities under Article 27c(1), or Article 27k(1), of Directive 2013/36/EU should be set up to coordinate the exchange of information in view of the assessment of the proposed acquisition or operation. This process should be divided into specific steps, including the consultation notice by the requesting authority, its acknowledgement of receipt and the response by the requested authority, and a clear and reasonable timeline should be put in place to allow the competent authority to consider the response by the requested authority, including any views or reservations, for its assessment within the assessment period.
- (5) In relation to mergers or divisions, in order to ensure a comprehensive view to the competent authority in charge of the decision, it is opportune that the competent authority puts in place adequate cooperation and exchanges with the competent authorities or authorities supervising other financial sector entities involved in the proposed operation. They should be able to provide their views or reservations and any information which is relevant for the assessment by the competent authority.
- (6) In relation to material acquisitions, the cooperation process should ensure reciprocal exchanges between such competent authorities between the competent authority and the consolidating supervisor either when the materiality threshold is reached only at individual level in case the proposed acquirer is a credit institutions or when the consolidating supervisor is in charge of the assessment of (mixed) financial holding company as proposed acquirer. It is important that each authority have the level of information appropriate to the assessment of the proposed acquisition.
- (7) Similarly, when the materiality threshold is reached at both individual and consolidated levels, the consultation process between the competent authority and the consolidating supervisor should ensure coordination between these two authorities, in relation to key aspects of the assessment process such as the assessment of completeness of the notification and the consultation of any supervising authority of other financial sector entities.
- (8) Where the materiality threshold is reached both on an individual and on a consolidated basis and where the relevant competent authorities are different and a joint decision needs to be reached on such proposed material acquisition, it is important to lay down common procedures to smoothen such process and facilitate the cooperation between such competent authorities. For instance, it is important to clarify the minimum common content of the draft assessment to be shared by the consolidating supervisor with the competent authority. Furthermore, when such joint decision has to be reached, the assessment should not be considered completed based on the mere

absence of the non-opposition of the competent authorities involved. Rather for sake of clarity, the consolidating supervisor should inform the proposed acquirer of the start of this phase of the procedure and that the assessment is still pending.

- (9) This Regulation is based on the draft implementing technical standards submitted to the Commission by the European Banking Authority.
- (10) The European Banking Authority has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory¹⁴,

HAS ADOPTED THIS REGULATION:

Article 1

Designated contact points

For the purpose of the consultation and coordination processes set out in Articles 27c and 27k of Directive 2013/36/EU, the relevant competent authorities shall designate, by way of a single email address of a dedicated department, a contact point for transmitting consultation notices and other communication in accordance with this Regulation and shall make this contact point publicly available on their websites.

Chapter 1

Consultation process between requesting and requested authorities in case of proposed material acquisitions or proposed mergers or divisions

Article 2

Definitions

- 1. For the purposes of this Chapter, the following definitions apply:
 - (a) ‘requesting authority’ means the competent authority entrusted with the assessment of the proposed acquisition in accordance with Article 27a(3) and (4) of Directive 2013/36/EU or of the proposed operation in accordance with Article 27i(1) of that Directive.
 - (b) ‘requested authority’ means any of the following, as applicable:

¹⁴ 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. 12-47).

- (i) one of the authorities entrusted with the supervision of the financial sector entities concerned with the proposed acquisition listed in Article 27c(1), points (a) to (c) of Directive 2013/36/EU; or
- (ii) one of the authorities entrusted with the supervision of the financial sector entities concerned with the proposed operation listed in Article 27k(1), points (a) to (c) of Directive 2013/36/EU, including the financial stakeholders.

Article 3

Consultation notice

1. In case of consultation in accordance with Article 27c(1) or Article 27k(1) of Directive 2013/36/EU, the requesting authority shall send a consultation notice to the requested authority as soon as possible after receipt of a notification referred to, respectively, in Article 27a(1) of Directive 2013/36/EU or in Article 27i(1) of that Directive, as applicable.
2. The requesting authority shall send the consultation notice referred to in paragraph (1) in writing by electronic means and address it to the designated contact point of the requested authority.
3. The requesting authority shall send the consultation notice referred to in paragraph (1) by completing the form set out in Annex I, specifying the starting date of the assessment period, the main details of the proposed acquisition of the material holding or of the proposed operation, as the case may be, and the information that the requesting authority asks from the requested authority in relation thereto.
4. Where the proposed material acquisition amounts to a qualifying holding in a financial sector entity that is not a credit institution and requires also the submission of a separate notification for the prudential assessment by the competent authority of the target entity, the consultation notice shall also cover that parallel proceeding. The requesting authority shall ask information on the pending assessment, including any issue that may affect the scrutiny of the proposed acquisition, and the related assessment period. The requesting authority and the requested authority shall endeavour to coordinate the timeline of the respective assessments.

Where the proposed acquisition concerns a qualifying holding in a credit institution referred to in Article 22(1) of Directive 2013/36/EU and a separate notification for the acquisition of such qualifying holdings has been or will be submitted by the proposed acquirer to the competent authority of the target credit institution, the requesting authority and the requested authority shall cooperate in order to ensure that the timeline for each respective assessment complies with Article 27a(6), second sub-paragraph of that Directive.

Article 4

Acknowledgement of receipt of a consultation notice

The requested authority shall send the requesting authority an acknowledgement of receipt of the consultation notice referred to in Article 3 within 2 working days of receiving such notice.

Article 5

Response from a requested authority

1. A response to a consultation notice shall be made in writing, using the form set out in Annex II, by electronic means. It shall be addressed to the designated contact point of the requesting authority referred to in Article 1, unless otherwise specified by the requesting authority.

2. The requested authority shall provide the requesting authority as soon as possible after receipt of the consultation notice with:

- (a) all relevant information requested in the consultation notice, including any views or reservations in relation to the acquisition by the proposed acquirer or in relation to the proposed operation;
- (b) all essential information, on its own initiative.

The requested authority shall immediately inform the requesting authority of the justified cases of necessity for any delay in the response to the requesting authority and provide an estimated date of response taking into account the timeline of the assessment process. The requested authority shall provide regular feedback on the progress made either of its own initiative or upon the request of the requesting authority.

3. Where, due to justified cases of necessity, the requested authority is not able to provide all the required information in accordance with paragraph (2), it shall:

- (a) provide the information which is already available within the time limit set out in paragraph (2), using the form set out in Annex II;
- (b) provide any missing information as soon as it becomes available and in a manner, including verbally, which ensures that any necessary action may proceed expediently.

4. If the requested information is provided verbally pursuant to point (b) of paragraph (4), it shall subsequently be confirmed in writing in accordance with paragraph (1), unless the competent authorities involved agree otherwise.

Article 6

Procedures for consultation

1. The requesting authority and the requested authority shall communicate in relation to a consultation notice and the response using the most expedient means from among those set out in Article 3(2) and Article 5(1), taking due account of confidentiality considerations, correspondence times, the volume of material to be communicated and the ease of access to the information by the requesting authority.

2. The information provided by the requested authority shall, to the best of its knowledge, be complete, accurate and up to date.

3. Upon receipt of a consultation notice, the requested authority shall communicate with the requesting authority in a timely manner where it needs any clarification in relation to the

information requested. The requesting authority shall in turn respond promptly to any clarifications requested by the requested authority.

4. Where the views or reservations presented by the requested authority according to Article 5(2), point (a) diverge from that of the requesting authority, the requesting authority shall promptly communicate with the requested authority, presenting the reasons for the divergence and with the aim to coordinate and achieve consistent views.

5. If the information requested is held by another authority within the same Member State as the requested authority but which does not constitute a competent authority for the purposes of Article 27a(3) and (4) or Article 27i(1) of Directive 2013/36/EU, the requested authority shall undertake best efforts to collect the information promptly and transmit it to the requesting authority in accordance with Article 5. If the information requested is held by an authority of a different Member State or by another authority of the same Member State which constitutes a competent authority for the purposes of Article 27a(3) and (4) or Article 27i(1) of Directive 2013/36/EU, the requested authority shall promptly inform the requesting authority thereof.

6. The requested authority and the requesting authority shall cooperate to resolve any difficulties that may arise in responding to a request.

7. The requested authority and the requesting authority shall provide feedback to each other on the outcome of the assessment in relation to which the consultation process occurred and, where appropriate, on the usefulness of the information or other assistance received and on any problems encountered in providing such assistance or information.

8. Where a need of new or of further information arises during the assessment period, the requesting authority and the requested authority shall ensure that all essential and relevant information is exchanged. The templates set out in Annexes I and II shall, where appropriate, be used for this purpose.

9. For the purposes of the consultation process, competent authorities shall use one or more of the official languages of the European Union appropriate for international supervisory cooperation, and shall publish the choice of such language or languages on their websites. Where the relevant competent authorities of Member States have a common official language or mutually agree to use another official language of the Union, they may use that language.

Consultation question

10. Do you agree with the steps and the timeline for the consultation process between requesting and requested authorities in case of proposed material acquisitions or proposed mergers or divisions?

Chapter 2

Coordination between the competent authority and the consolidating supervisor when the threshold for material acquisitions is reached on an individual or on a consolidated basis and the two competent authorities differ

Article 7

Communication of a complete notification

1. In the case envisaged under Article 27c(2), first sub-paragraph of Directive 2013/36/EU, the competent authority, within 10 working days following receipt of a complete notification by the proposed acquirer, shall notify to the designated contact point of the consolidating supervisor by electronic means the summary of the proposed acquisition submitted in accordance with Article 3(5) of Commission delegated Regulation (EU) [XXXX/XX on minimum information, assessment methodology and process applicable to the acquisition of material holdings, material transfer of assets and liabilities, mergers and divisions], and shall indicate the starting date of the assessment period.

The consolidating supervisor shall send an acknowledgement of receipt of that notification to the competent authority by electronic means within 2 working days.

2. The procedure set out in paragraph 1 shall apply *mutatis mutandis* to the case envisaged under Article 27c(2), second sub-paragraph of Directive 2013/36/EU.

The competent authority shall send acknowledgement of receipt of that notification to the consolidating supervisor by electronic means within 2 working days.

3. For the purposes of paragraph (1) and (2), the competent authority and the consolidating supervisor shall consult each other to the extent relevant and exchange any information useful for the assessment. Such consultation process shall occur via the designated contact points referred to in Article 1 or the specific contact persons in charge of the supervision of the group. The consultation process shall be duly documented.

Article 8

Communication of the assessment

1. In the case envisaged under Article 27c(2), first and second sub-paragraphs of Directive 2013/36/EU, the authority in charge of the assessment shall communicate via electronic means the positive assessment or the opposition to the proposed acquisition to the consolidating supervisor or to the competent authority in the Member State where the financial holding company or mixed financial holding company within the scope of Article 21a(1) of Directive 2013/36/EU is established, as the case may be.

Chapter 3

Coordination and consultation between the consolidating supervisor and the competent authority when the threshold for material acquisitions is reached at individual and consolidated levels and the two competent authorities differ

Article 9

Coordination in relation to the completeness of the notification

1. Where the proposed acquirer is an institution and the threshold referred to in Article 27a(2) of Directive 2013/36/EU is exceeded on both individual and consolidated basis, the consolidating supervisor and the competent authority shall endeavour to coordinate the assessment as to whether the notification under Article 27a(1) of that same Directive and submitted to each of them by the proposed acquirer is complete. In that case, the coordination between the consolidating supervisor and the competent authority shall concern also the starting date of the assessment period to be indicated in the acknowledgment of receipt of the notification received.

2. For this purpose, any of the consolidating supervisor or the competent authority shall inform the other competent authority immediately and without delay upon receipt of the notification from the proposed acquirer, via the designated contact point or specific contact persons for the supervision of the group concerned. The competent authority being informed shall acknowledge the receipt of the communication.

3. Where the notification received by the consolidating supervisor or by the competent authority is incomplete, the competent authority concerned shall inform the other competent authority.

Article 10

Full consultation for the assessment of the proposed acquisition

1. For the purpose of the assessment in full consultation in accordance with Article 27c(3) of Directive 2013/36/EU, the competent authorities, during the assessment period, shall consult, exchange information or hold meetings in order to develop a consistent assessment reflecting views or reservations of the other competent authority in accordance with Article 27c(4) of Directive 2013/36/EU.

2. Such consultation and cooperation process shall be carried out via the designated contact points referred to in Article 1 or specific contact persons within the respective competent authority for the supervision of the group concerned. Each phase of the consultation and cooperation process in accordance with paragraph (1) shall be duly documented by the two competent authorities.

3. The consolidating supervisor and the competent authority shall consult and coordinate with each other for purposes of requesting additional information to the proposed acquirer in accordance with Article 27a(9) of Directive 2013/36/EU, or in relation to the consultation with the competent authorities designated under Directive (EU) 2015/849, also having regard to the related suspension of the assessment period set out in Article 27a(10) or (11) of that Directive.

4. The consolidating supervisor and the competent authority shall coordinate each other for the consultation of any of the authorities listed in Article 27c(1), points (a) to (c) of Directive 2013/36/EU, with regard to the content and the timeline of the request with a view to ensure consistent and timely responses from the requested authority.

For this purpose, the consolidating supervisor and the competent authority shall follow the consultation process set out in Chapter 1.

5. The competent authority and the consolidating supervisor shall consult each other in respect of the information and feedback received from the requested authority and the impact on their own assessment of the proposed acquisition.

Article 11

Process for reaching a joint decision on the proposed acquisition

1. In the case referred to in Article 27c(3) of Directive 2013/36/EU, the consolidating supervisor shall communicate the draft assessment of the proposed acquisition to the competent authority at the latest on the date of expiry of the assessment period. The draft assessment shall consider the views of the competent authority and include at least the following items:

- (i) the names of the consolidating supervisor and the relevant competent authority that are part of the joint decision;
- (ii) the name of the proposed acquirer and of the target entity/ies concerned by the joint decision;
- (iii) the references to the applicable Union and national law relating to the preparation, finalisation and application of the joint decision;
- (iv) the conclusion of the assessment for the proposed material acquisition having regard to the criteria in Article 27b of Directive 2013/36/EU;
- (v) consideration of any potential divergent view or opinion from each authority; and
- (vi) the application date of the joint decision.

2. The consolidating supervisor shall send the draft assessment via electronic means to the specific contact person for the supervision of the group within the competent authority.

The consolidating supervisor shall inform the proposed acquirer of the start of this phase of the procedure and that the overall assessment procedure is not completed.

3. The competent authority shall send an acknowledgement of receipt of the draft assessment within 2 working days from the receipt of the draft assessment via electronic means to the specific contact person for the supervision of the group concerned within the consolidating supervisor.

4. The two months period to reach a joint decision on the assessment of the proposed acquisition in accordance with Article 27c(3) of Directive 2013/36/EU, shall commence

from the date of the acknowledgement of the receipt by the competent authority of the communication by the consolidating supervisor of the draft assessment with its minimum content as set out in paragraph (1).

5. During the two months period, the consolidating supervisor and the competent authority shall consult each other via exchanges or meetings and establish a proper timeline with a view to come to a fully reasoned joint decision on the proposed acquisition within the expiry of the two months period.

To this end, the draft assessment may be amended as necessary, to reflect the conclusions of such exchanges and reach a written agreement on the joint decision within the expiry of the two months period. The joint decision shall give account of the views of the competent authority.

Where the joint decision is reached within the two months period, the consolidating supervisor shall notify the joint decision to the proposed acquirer in accordance with the applicable procedural requirements. Only the communication from the consolidating supervisor shall bear legal effects in respect of the proposed acquirer.

6. Where a joint decision is not reached by the consolidating supervisor and the competent authority within the expiry of the two months period, the consolidating supervisor and the competent authority shall promptly inform the proposed acquirer that the procedure set out in Article 27c(3), second sub-paragraph of Directive 2013/36/EU applies and that the assessment of the proposed acquisition has not been finalised.

Consultation question

11. Do you consider the processes set out in Chapters 2 and 3 in relation to material acquisitions sufficiently clear, comprehensive and adequate for a smooth proceeding?

Article 12

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the Commission
The President

On behalf of the President
[Position]

ANNEX I

Consultation notice

Date:

FROM:
Requesting Authority:

Address:
Member State:

(Contact details of the designated contact point)

Telephone:
Email:

Reference number:

TO:
Requested Authority:
Address:
Member State:

(Contact details of the designated contact point)

Telephone:
Email:

Dear [.] ,

In accordance with Article 3 of Commission Implementing Regulation (EU) .../... laying down implementing technical standards with regard to common procedures, forms and templates for the consultation process between the relevant competent authorities as referred to in Article [27c(1)/27k(1)]¹⁵ of Directive (EU) 2013/36/EU, a consultation notice is made in relation to the matters set out in further detail below.

[A. For proposed material acquisitions:

Please note that the assessment period referred to in Article 27a(6), first subparagraph, of Directive 2013/36/EU will expire on [insert date], unless Article 27a(6), second subparagraph, applies. We therefore would be grateful if you could provide the requested information and any other essential information, as well as any views or reservations you might have on the proposed material acquisition, as soon as possible after the receipt of this letter or, if that is not possible, an indication as to when you anticipate being in a position to provide the assistance which is sought.]

[B. For proposed intra-group operations:

¹⁵ Correct reference to be selected.

Please note that the assessment period referred to in Article 27i(4), second subparagraph, of Directive 2013/36/EU will expire on [insert date]. We therefore would be grateful if you could provide the requested information and any other essential information, as well as any views or reservations you might have on the proposed intra-group operation, as soon as possible after the receipt of this letter or, if that is not possible, an indication as to when you anticipate being in a position to provide the assistance which is sought.]

[C. For proposed operations involving not only financial stakeholders belonging to the same group:

Please note that the assessment period has started on [insert date]. We therefore would be grateful if you could provide the requested information and any other essential information, as well as any views or reservations you might have on the proposed operation, within a reasonable time in order to allow an effective assessment. You are kindly requested to indicate when you anticipate being in a position to provide the assistance which is sought.]

This consultation notice, your response and their processing are subject to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (repealing Directive 95/46/EC).

Information to be provided

[A. For proposed acquisition of a material holding based on Article 27b CRD

Identity of the proposed acquirer:

.....

Please insert the business name and legal form, the address of the registered office, the name and contact details of the person within its organisation to contact regarding the notification.

Identity of the target entity:

.....

Please insert the business name, the legal form and the address of the registered office¹⁶.

Name of the relevant supervised entity(/ies) in the requested authority's Member State and relationship with the target entity(/ies):

.....

¹⁶ For legal persons under the scope of Directive (EU) 2017/1132, this information shall match the information resulting in the national business register referred to in Article 16 of Directive (EU) 2017/1132.

Please insert the business name, legal form and the address of the registered office. Where the target entity is a supervised entity as referred to in Article 27c(1)(a) of Directive 2013/36/EU, the identity of the target entity is sufficient. Where the target entity falls under one of the categories defined under Article 27c(1)(b) or (c) of Directive 2013/36/EU, it is also necessary to explain the relationship of the target entity with the relevant supervised entity established in the requested authority's Member State.

[Size of the intended material holding in the target entity:

.....

Please insert information on the shares or parts of the target entity, including: (i) the number, type and nominal value of the shares; (ii) the share of the overall capital and voting rights of the target entity that the proposed acquirer will hold following the proposed acquisition; and (iii) indication as to whether the material acquisition will provide control of the target entity including information on the appointment of members of the management body (Art. 3, para. 2 of Commission delegated Regulation (EU) [XXXX/XX on minimum information, assessment methodology and process applicable to the acquisition of material holdings, material transfer of assets and liabilities, mergers and divisions]).]

[B. For proposed merger or division based on Article 27j CRD

Identity of the financial stakeholder carrying out the proposed operation:

.....

Please insert the business name and legal form, the address of the registered office, the name and contact details of the person within its organisation to contact regarding the notification.

Please insert the business name, the legal form and the address of the registered office.

Identity of the entity(/ies) resulting from the proposed operation:

.....

Please insert the business name, the legal form and the address of the registered office.

Name of the relevant financial stakeholders and supervised entity(/ies) in the requested authority's Member State and relationship with the financial stakeholders carrying out the proposed operation:

.....

Please insert the business name, the legal form and the address of the registered office. Where relevant, please explain the relationship of the financial stakeholders involved with the relevant

supervised entity (as listed in points (a) to (c) of Article 27k(1) of Directive 2013/36/EU, established in the requested authority's Member State.

Description of the proposed operation project:

.....

Please insert information on the name and role of each financial stakeholder and any other entity involved, as well as the assets and liabilities to be transferred and the type and amount of consideration to be paid if any (Art. 19, para. 1 of Commission delegated Regulation (EU) [XXXX/XX on minimum information, assessment methodology and process applicable to the acquisition of material holdings, material transfer of assets and liabilities, mergers and divisions]).]

Details of any other authorities involved:

.....

Whether the requesting authority has been or will be in contact with any other authority in the Member State of the requested authority in relation to the subject matter of the request or any other authority which the requesting authority is aware has an active interest in the subject matter of the request.

Additional information provided by the requesting authority (if any):

.....

Type of assistance requested

Specific information requested:

.....

[A. Based on Article 27b CRD

Please insert a detailed description of the specific information sought, including any relevant documents requested. Such information shall include any of the following:

- *any supervisory measure, sanction, penalty in respect of the target entity or supervised entities, as the case may be, taken within at least the last 10 years;*
- *where available, any outcome of inspections in relation to the target entity or supervised entities, as the case may be, which may impact the assessment of the proposed acquisition;*

- *the outcome of the most recent assessment of the suitability of the members of the management body in its management function of the target entity or supervised entities, as the case may be;*
- *the group structure or the most recent assessments of the sound and prudent management of the target entity or supervised entities, as the case may be;*
- *where applicable, the outcome of the most recent SREP of the target entity;*
- *in case the proposed acquisition entails a parallel assessment of the acquisition of qualifying holding in an institution or in a supervised entity, any relevant information in relation to such pending assessment, including the assessment period and any issue that may affect the prudential assessment;*
- *any other information sought by the requesting authority.]*

[B. Based on Article 27j CRD

Please insert a detailed description of the specific information sought, including any relevant documents requested. Such information shall include any of the following:

- *any supervisory measure, sanction, penalty in respect of the [entities being merged/ recipient entities]¹⁷ or supervised entities, as the case may be, taken within at least the last 10 years;*
- *where available, any outcome of inspections in relation to the [entities being merged / recipient entities]¹⁹ or supervised entities, as the case may be, which may impact the assessment of the proposed operation;*
- *the outcome of the most recent assessment of the reputation of the members of the management body of the financial stakeholder carrying out the proposed operation [and the recipient entities in case of division]¹⁸ or supervised entities, as the case may be;*
- *the group structure or the most recent assessments of the sound and prudent management of the [entities being merged / recipient entities / entity being divided]¹⁹ or supervised entities, as the case may be;*
- *where applicable, the outcome of the most recent Supervisory Review and Evaluation Process (SREP) of the entity being merged;*
- *if necessary and not already submitted by the notifying entity, the business model, the list of third-party arrangements and the most recent risk assessment of the [entities being merged / recipient financial entities / entity being divided, or of any other entity involved in the proposed operation]²¹, or other supervised entities;*
- *any relevant information in relation to the implementation plan to assess whether it is realistic and sound from a prudential perspective;*

¹⁷ In case of a merger: 'entities being merged to be selected, and in case of a division: 'recipient entities to be selected.

¹⁸ Only if the proposed operation is a division.

¹⁹ In case of a merger: 'entities being merged' to be selected, in case of a division: 'recipient entities' to be selected, and in case of partial division: 'entity being divided' to be selected.

- *whether there are any grounds to suspect, in connection with the proposed operation, that money laundering or terrorist financing is being or has been committed or attempted;*
- *any other information sought by the requesting authority;*
- *views or opinions of the requested authority in relation to the proposed operation by the requested authority.]*

Yours sincerely,

[signature]

ANNEX II

Response from the requested authority

Date:

FROM:
Requested Authority:
Address:

(Contact details of the designated contact point)
Telephone:
Email:

Requested authority - Reference number:

TO:
Requesting Authority:
Address:

(Contact details of the designated contact point)
Telephone:
Email:

Re: Requesting authority - Reference number:

Dear [.] ,

In accordance with Article 5 of Commission Implementing Regulation (EU) .../... laying down implementing technical standards with regard to common procedures, forms and templates for the consultation process between the relevant competent authorities as referred to in Article 27c(1) of Directive (EU) 2013/36/EU, your consultation notice dated [dd.mm.yyyy] with the reference number referred to above has been processed by us.

This response is subject to Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (repealing Directive 95/46/EC).

Where applicable, please explain any doubt you have in relation to the precise information requested or any other aspect of this prudential assessment:

.....
.....
.....

Please set out the requested information here or refer to the relevant annexes containing the information requested:

.....
.....
.....

If there is any other essential information or other information the requested authority would like to provide, please provide such information here or supply an explanation of how it will be provided, or make reference to the relevant annexes containing that information:

.....
.....
.....

If there are any views or reservations in relation to the proposed [acquisition/ operation]²⁰, please provide them here:

.....
.....
.....

If any requested information was not available when preparing this response and awaiting such information would have resulted in the response not being submitted within the required timeframe, please identify such information here and specify when it is expected to be provided:

.....
.....
.....

Yours sincerely,

[signature]

²⁰ Correct situation to be selected.

5. Accompanying documents

5.1 Draft cost-benefit analysis / impact assessment

A. Problem identification

As per Article 10(1) of Regulation (EU) No 1093/2010 (EBA Regulation), regulatory technical standards developed by the EBA shall be accompanied by an Impact Assessment (IA), which analyses 'the potential related costs and benefits.' This section presents the IA of the main policy options included in this Consultation Paper on (i) Regulatory Technical Standards (RTS) based on under Article 27b(7) of Directive 2013/36/EU, specifying the minimum list of information to be submitted with the notification of proposed acquisitions of a material holding, mergers and divisions, the assessment methodology and the process applicable to the notification of proposed acquisitions of a material holding ('RTS on new supervisory tools'), , mergers and divisions and (ii) Implementing Technical Standards (ITS) on common procedures, forms and templates for the consultation process between the relevant competent authorities under Articles 27c and 27k of that same Directive ('ITS on consultation').

Directive 2013/36/EU sets out a common regime for the notification of assessment of material operations of credit institutions and (mixed) financial holding companies, requiring for the notification of minimum information to the competent authority (CA) in advance of any proposed operation. While no assessment is required in case of material transfers of assets or liabilities, an assessment will be conducted based on specific criteria for both material acquisitions and mergers/divisions. This assessment implies that competent authorities should cooperate and consult the supervising authorities of other financial sector entities involved in the proposed material acquisitions or mergers/divisions.

B. Policy objectives

As part of the notification to the CA, the credit institution or (mixed) financial holding companies carrying out a material operation have to submit a notification with information supporting the CA's assessment of the proposed material acquisitions or mergers/divisions in light of the assessment criteria set out in Articles 27b or 27j CRD respectively. As such assessment is to be conducted by the competent authority supervising the credit institution or the (mixed) financial holding companies involved. Consistency and harmonisation need to be ensured. Regarding material transfers of assets and liabilities, harmonisation of the information to be submitted to the CA also need to be ensured.

The lack of a standardised set of information to be requested from the proposed acquirers or from financial stakeholders and other entities involved in the proposed merger or division may lead to diverging approaches and different practices across Member States hindering the level playing field and leading to regulatory arbitrage across EU Member States. Against this background, the EU regulatory framework mandates the EBA to develop an RTS to specify the list of minimum information to be submitted with the notification by the proposed acquirer or by the financial stakeholders carrying out the operation.

Since information about entities of other financial sectors might be key for the assessment of the proposed acquisition or merger/division by the CA in charge, the cooperation process between the CA and the supervising authorities of other financial sector entities has to be streamlined to foster a timely and transparent cooperation. Against this background, the EU regulatory framework mandates the EBA to develop an ITS to establish common procedures, forms and templates for the consultation process between the relevant competent authorities.

C. Baseline scenario

In a baseline scenario, if no harmonisation of the information requested would be made, the CAs would continue requesting divergent sets of information. Divergence in the information to be submitted in the notification would ultimately lead to divergent assessment practices across Member States.

The reasoning is the same for the ITS on consultation in relation to material acquisitions and mergers or divisions: in a baseline scenario, without such cooperation between competent authorities and supervising authorities of other financial sector entities involved, some information on the relevant operation might be missed, timelines may elongate and the decision may not be informed by all the relevant input.

D. Options considered and Preferred option

This section D. presents the main policy options discussed and the decisions made in the development of the RTS on New supervisory tools and of the ITS on consultation. Advantages and disadvantages of the policy options and the preferred options resulting from this analysis are assessed below.

Policy issue 1 – Harmonised determination of the materiality threshold for material acquisitions

Option 1a: Determination of the materiality threshold as the ratio between the purchase price or the book value of the material holding and the eligible capital of the proposed acquirer as per the latest reporting submission.

Option 1b: Determination of the materiality threshold as the higher of the ratios between the purchase price or the book value of the material holding and the eligible capital of the proposed acquirer as per the latest reporting submission.

Option 1c: No harmonised determination of the materiality threshold.

Since the application of the new supervisory tool on notification and assessment of proposed material acquisition is triggered by the reach of the materiality threshold set out in the Level 1, it is important that it is calculated in a uniform manner throughout the EU, so to ensure the level playing field. Considering only the purchase price as the numerator for the determination of the ratio, would risk being underinclusive where the acquisition is commercially agreed for a price below the book value and not capture material acquisitions with prudential impact on the proposed acquirer. To ensure capturing all prudentially material transactions it is opportune that the numerator to determine the ratio includes the higher of the purchase price or the book value of the material holding.

The same reasoning applies to the identification of the numerator for the determination of the materiality threshold for material transfer of assets or liabilities in accordance with Article 27f(2) CRD. In the light of this, the preferred Option is **Option 1b**.

Policy issue 2 – Notification and assessment of indirect material acquisitions

Option 2a: Submission of information and assessment at consolidated level.

Option 2b: Submission of information and assessment only at individual level.

Option 2c: No specification of requirements in case of indirect material acquisitions

Article 27a CRD captures both direct and indirect material acquisitions within the scope of application of that regime. An indirect material acquisition is directly carried out by one or more subsidiaries of the proposed acquirer (i.e. an institution, financial holding or mixed financial holding company under Article 21a(1) of Directive 2013/36/EU), which are included in the scope of consolidation of the proposed acquirer. In such case there are intermediate layer(s) between the subsidiary directly carrying out the proposed material acquisition and the proposed acquirer, so that the prudential effect of the material acquisition may only be measured against the consolidated situation. However, where the subsidiary is itself an institution, the ordinary information requirements and related assessment should apply. Considering the Level 1 does not further specify the case of indirect material acquisitions, it is important to clarify this concept and harmonise its regime across the EU. For this reason, the preferred Option is **Option 2a**.

Policy issue 3 - Submission of a proportionate set of information in case of mergers between small and non-complex institutions

Option 3a: Determine a single proportionality threshold only with regard to the size of the entity being merged

Option 3b: Determine more than one proportionality thresholds with regard to the size of the entity being merged and to that of the merging financial stakeholder

Option 3c: No development of a reduced set of information and related assessment based on the size of the entities involved in the merger

The size of an entity may be considered as a proxy for complexity, which is one of the proportionality criteria. Since proportionality as a general principle should be embedded in the RTS, it is opportune to reflect how the size of one or of both entities involved in the merger impacts the content of the notification and the related assessment of the proposed merger. Developing a single category of operations subject to proportionality requirements exclusively based on the size of the entity being merged would be under- or over-inclusive depending on where the threshold is set and would not take into account the complexity of the resulting entity. It is therefore opportune to develop more than one set of proportionality thresholds capturing a) the size of the entity being merged; b) the combination of the merging financial stakeholder and the entity being merged, and c) the ratio between the capital of the merging financial stakeholder and the size of the entity being merged, on the assumption that where the threshold is not met the entity being merged is small and not complex and does not have impact on the merging financial stakeholder. For this reason, the preferred Option is **Option 3b**.

Policy issue 4 – Setting of proportionality threshold having regard to the total assets of the entity being merged in case of mergers

Option 4a: Set an autonomous threshold for mergers increasing the proportionality approach where the entity being merged has total asset no greater than EUR 1 bn

Option 4b: Do not further increase the proportionality approach and do not set an additional threshold based on the size of the entity being merged

The size of an entity may be considered as a proxy for complexity, which is one of the proportionality criteria usually applied. Since proportionality as a general principle should be embedded in the RTS, it is opportune to consider not only the combination of the size of the entities involved in the merger, but also the size of the entity being merged. When this is particularly small, the integration between the entities involved is assumed to be non-complex from the perspective of the merging financial stakeholder and having regard to the safety and soundness of the financial system. As such, the administrative burden linked to these operations should be commensurate for both the merging companies and for the competent authorities. These considerations support setting an additional threshold based on the size of the entity being merged and having a reduced set of information to support the prudential assessment of these operations. For these purposes a threshold of EUR 1 bn for the merged entity seems adequate. Based on available data, a

threshold of Eur 1bn would capture 57% of the population of credit institutions²¹ and therefore a significant share. This population would represent c. 1% of total assets for the EEA, i.e. a very small, non-systemic proportion. For these reasons, **Option 4a** is the preferred Option.

Policy issue 5 – Setting of proportionality threshold having regard to the combination of the total assets of the merging financial stakeholder and the entity being merged in case of mergers

Option 5a: Set an autonomous threshold for mergers not linked to the prudential framework

Option 5b: Set a threshold for mergers linked to the prudential framework reflecting the category of small and non-complex institutions

The prudential framework laid down in the CRR/CRD embeds proportionality including via the identification of small and non-complex institution that are subject to lower supervisory requirements. The size of such institutions is one of the indicators for such category and it is set at Eur 5 bn of total assets (Article 24(2), sub-paragraph 2 of Commission delegated Regulation (EU) [XXXX/XX on minimum information, assessment methodology and process applicable to the acquisition of material holdings, material transfer of assets and liabilities, mergers and divisions]). Aligning with the existing prudential framework has the advantage of internal consistency and of avoiding multiplication of category where the rationale is the same, i.e. to capture small and non-complex institutions.

Based on available data, a threshold of EUR 5bn would potentially be relevant for 85% of the population of credit institutions,²² a significant share of the banking population (Table 1). This population would represent c. 6% of total assets for the EEA, ie a non-systemic proportion. Setting the threshold higher would have the disadvantage of departing from the well-known threshold for small and non-complex institutions (SNCI) established in the applicable prudential framework. It would also be overinclusive as it would capture SNCI firms exiting this category due to the merger; such firms would become subject to a more complex regulatory framework, which would warrant a more comprehensive assessment. Similarly, setting a lower threshold would not only deviate from the current SNCI framework, but would be under-inclusive, also having regard that a separate low proportionality threshold is envisaged by the RTS targeting very small merged entities. For these reasons, the preferred Option is **Option 5b**.

Table 1: Impact assessment - proportionality

Bank size (total assets)	N. of banks	Total assets (Eur M)	cumulative number of banks	cumulative total assets
--------------------------	-------------	----------------------	----------------------------	-------------------------

²¹ The size of the credit institutions has been measured based on the total exposure measure (TEM) of the leverage ratio at the 31/12/2024 reporting date. The TEM is used as a proxy for total assets. To avoid duplicates, this information has been filtered to exclude subsidiaries of EEA groups which are captured at the parent's level.

²² The size of the credit institutions has been measured based on the total exposure measure (TEM) of the leverage ratio at the 31/12/2024 reporting date. The TEM is used as a proxy for total assets. To avoid duplicates, this information has been filtered to exclude subsidiaries of EEA groups which are captured at the parent's level.

Below or equal to 1bn	1561	460,612	57%	1%
Higher than 1bn but below or equal to 3bn	559	1,000,546	77%	4%
Higher than 3bn but below or equal to 5bn	201	800,186	85%	6%
Higher than 5bn but below or equal to 10bn	168	1,156,057	91%	10%
Higher than 10bn but below or equal to 20bn	115	1,603,741	95%	14%
Higher than 20bn but below or equal to 30bn	27	689,490	96%	16%
and above 30bn	112	29,591,586	100%	100%
TOTAL	2743	35,302,219		

Source: COREP, data as of 31/12/2024

Policy issue 6 – Setting of proportionality threshold having regard to the ratio between the merging financial stakeholder and the entity being merged in case of mergers

Option 6a: Set an autonomous proportionality threshold for mergers not aligned to the materiality threshold set out for material acquisitions

Option 6b: Set a proportionality threshold for mergers aligned to the materiality threshold set out for material acquisitions

The ratio between the purchase price or book value of the entity being merged and the total eligible capital of the merging financial stakeholder is an indicator of the prudential impact of the integration of the entity being merged into the merging financial stakeholder. In line with the legislative choice for material acquisitions, it is assumed that, in mergers where the merging companies do not meet the 15% materiality threshold, the prudential impact on the merging financial stakeholder is less significant thus justifying a proportionate content of the notification and assessment.

Considering the other proportionality criteria, namely the intra-group mergers (embedded in Article 27i CRD), the combined entities involved in the merger having total assets lower than EUR 5 bn, and the total assets of the entity being merged no greater than EUR 1 bn, the threshold considering the ratio between the merging financial stakeholder and the entity being merged will be of residual application. For these reasons, **Option 6b** is the preferred Option.

Policy issue 7 – Amendment to Commission Delegated Regulation (EU) No 2022/2580 in relation to the implementation plan in case of a merger or division combined with an authorisation procedure as credit institution

Option 7a: To ensure the assessment of the merger together with the application of the authorisation as a credit institution, without assessing the implementation plan itself during the licensing procedure.

Option 7b: To ensure that all information requested on the implementation plan is submitted to the CA in addition to the ones provided for the application of the authorisation as a credit institution.

Both in case of a merger and in case of a division, the operation can be combined with a licensing procedure for a new credit institution. In these cases, under Level 1 text, there will be no assessment carried out by the CA regarding the merger or division itself; the licensing procedure will cover most of the elements that would normally be assessed by the CA under the CRD requirements for merger/division. However, an implementation plan is currently not required in the authorisation procedure for a credit institution, while this is a crucial element of the merger or division operation. Thus, two options have been considered: only relying on the current content of the application for authorisation, without any assessment of the implementation plan during the licensing procedure (**Option 7a**) or to amend Commission Delegated Regulation (EU) No 2022/2580 on information to be provided in the application for authorisation as a credit institution to cover the information requested on the implementation plan or the integration project as applicable according to proportionality (**Option 7b**).

Option 7b is the preferred Option since it provides for clarity and ensures the smooth integration of the entities involved in the merger regardless of the merger structure used. The amendment therefore requires that the application for authorisation as a credit institution contain also the implementation plan or the integration project as the case may be, as well as some general information on the proposed operation.

Policy issue 8 - Alignment of scope of the EBA mandates to develop ITS on consultation under material acquisitions and under mergers/divisions.

Option 8a: To develop a set of two different ITS on consultation in line with the separate mandates set out in the CRD: one for material acquisitions, and another for mergers/divisions.

Option 8b: To merge the two separate mandates into a single ITS on consultation addressing each specific material operation.

The Level 1 text distinguishes between the cooperation process in case of material acquisitions which is quite granular (Article 27c CRD6) and the one in case of mergers and divisions which is less articulated (eg. no joint decision) (Article 27k CRD6). In that sense, the Level 1 requires for two different ITS (**Option 8a**) while for regulatory purposes, only one merged ITS could be developed having specific requirements for each operation (**Option 8b**).

In view of regulatory simplification, **Option 8b has been retained** since, to the extent relevant the legal content of each mandate is quite similar. Thus, those two mandates have been merged into Chapter 1 of the [draft] ITS and the Annexes with the templates of the consultation notice and of the response by the requested authority have been adapted to distinguish the two types of operations where needed – ie. material acquisition or merger/division. To this regard, Chapter 1 set up the framework for a general cooperation between the CA in charge of the assessment and the supervising authorities of other financial sector entities which apply to both material acquisitions, mergers and divisions, covering the initial consultation notice, the acknowledgement of receipt of the consultation notice and the timeline for the response by the requested authority within the limited assessment period. Besides, taking into account specific cases of cooperation between the CA and the consolidating supervisor depending on which level the materiality threshold is reached, Chapters 2 and 3 only apply to material acquisitions.

Policy issue 9 – Notification by the competent authority in case of cooperation for material acquisitions where the threshold is reached on an individual or on a consolidated basis and the two competent authorities differ

Option 9a: To require the competent authority to inform the other authority of the proposed operation based on a summary provided by the proposed acquirer.

Option 9b: To require the competent authority to notify the other authority of the proposed operation based on the complete notification from the proposed acquirer.

Article 27c(2), first and second sub-paragraphs, CRD6 requires the authority in charge of the assessment of the proposed acquisition and to which the proposed acquirer has submitted the notification “to notify” the other authority of such operation, while different scenarios might be identified regarding the identity of the proposed acquirer:

- where the proposed acquirer is a credit institution (CI) and the materiality threshold is reached on an individual basis, it will be upon the CA responsible for the CI on a solo basis to notify the proposed acquisition to the consolidating supervisor (if different);
- where the proposed acquirer is a FHC or a MFHC within the scope of Article 21a CRD, the consolidating supervisor responsible for the assessment of the proposed acquisition, and notified in that sense, has to notify, in turn, the CA of the FHC or MFHC which is different.

Since Level 1 ‘notification’ requirement may be interpreted either as (i) a communication to the other authority (to be sent once the information notified to the CA has been assessed to be complete) of the main aspects of a material acquisition by the proposed acquirer (**Option 9a**), or (ii) a forward to the other authority of the ‘whole’ (complete) notification submitted by the proposed acquirer (**Option 9b**).

Option 9a was preferred, considering that in the situations covered by Chapter 2 of the draft ITS on consultation, only the CA to which the proposed acquirer has submitted the notification is in charge of the assessment of the material acquisition while the supervising authority of other financial sector entities is solely consulted. Therefore, the communication of a summary notice – rather than the forward of the whole notification complete with all documents – of the proposed material acquisition is more efficient to avoid excessive administrative burden. The summary notice should contain all the relevant information providing sufficient understanding of the material transaction to the other authority which is consulted.

E. Cost-Benefit Analysis

The impact of implementing the RTS and ITS depends on the practices and processes currently in place for material operations (material acquisitions, material transfers and mergers and divisions) carried out by credit institutions, financial holding companies (FHC) or mixed financial holding companies (MFHC). Authorities might incur a one-off cost to adapt to the new regime of notifications, assessment methodology and processes. However, this cost is expected to be limited as the proposed approach leverages off existing practices.

The benefits for authorities from the implementation of the RTS and ITS encompass simplification, increased proportionality (eg in the notification obligations and in the depth of the assessment) and improved standardization through a clear and transparent identification of the material operations that require more scrutiny, the content of the information requested and the type of assessment. This will increase efficiency in decision-making and further enhance the level playing field for material operations in the EU.

Banks will benefit from the streamlining and increased transparency on the information requested and the content of the assessment.

Both competent authorities and banks will benefit from the cooperation requirements set out in the RTS and ITS. This will ensure a smoother process when multiple authorities are involved by expediting decision-making, increasing efficiency and compressing the timelines and costs of the procedures.

5.2 Overview of questions for consultation

Question 1. Do you agree with the methodology laid down in Article 1(2) on the determination of the materiality threshold?

Question 2. Do you consider that proportionality is well embedded in this Chapter 1, in particular regarding the list of information laid down for specific cases of material acquisitions referred to in Article 7(3)?

Question 3. Does Article 13 on process sufficiently encompass the different use-cases on material acquisitions?

Question 4. Do you agree with the list of information to be submitted in case of a material transfer of assets or liabilities, in particular the differentiation between transferee and transferor?

Question 5. Do you consider that proportionality is sufficiently reflected in the threshold and cases covered by Article 24(2) and (3) as regards the requested set of reduced information and the related proportionate assessment set out in Articles 25 to 27?

Question 6. Do you agree with the flexibility developed under Articles 23 and 27 in relation to goodwill, Pillar 2 requirements and the assessment of systemic importance?

Question 7. Do you think the draft RTS is sufficiently clear, comprehensive and suitable for each material operation / adequate for a smooth proceeding?

Question 8. Do you agree with the information requested in case of a merger or division requiring the authorisation of a credit institutions via the amendment to Commission Delegated Regulation (EU) No 2022/2580 under Article 35?

Question 9. Do you think the draft RTS is sufficiently clear, comprehensive and suitable for each material operation / adequate for a smooth proceeding?

Question 10. Do you agree with the steps and the timeline for the consultation process between requesting and requested authorities in case of proposed material acquisitions or proposed mergers or divisions?

Question 11. Do you consider the processes set out in Chapters 2 and 3 in relation to material acquisitions sufficiently clear, comprehensive and adequate for a smooth proceeding?