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Final Report

Draft Regulatory Technical Standards on the minimum information, assessment methodology and process related to material acquisitions, material transfers, 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 for material acquisitions, mergers and divisions under Articles 27c and 27k of Directive 2013/36/EU

Contents

1. Executive Summary

1. Overview

Directive (EU) 2024/1619 (CRD6), amending Directive 2013/36/EU the capital requirements Directive (CRD)[1], 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 or liabilities; (c) mergers; and (d) 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 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 the notification and the prudential assessment required for the tools on material acquisitions, mergers and divisions.

The EBA is also mandated, under Article 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 CAs or authorities in case of mergers or divisions 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 ITS**).

2. RTS on material acquisitions, material transfers, mergers and divisions

The RTS 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 material transfer of assets or 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.

[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.

The EBA has given significant attention to the principle of proportionality by streamlining the content of the notification or the assessment to be carried out. Notably, information already held by the competent authority does not need to be resubmitted, information requirements may be adapted to the specific circumstances of the acquisition (e.g. public offers or hostile acquisitions), and the level of detail required is adjusted to the complexity and risk profile of the material operation. A reduced set of information is required for intra-group operations (and, for material acquisitions, between members of the same institutional protection scheme) considering the existing level of integration, and that some intra-group operations identified in the Level 1 may be subject to discretionary assessment by the competent authority.

In case of mergers (and divisions), without affecting the notification and the assessment obligations, the RTS set out additional proportionality criteria (on top of intra-group cases) concerning entities which are small in size and have a low level of complexity and risk profile. Increased simplification applies in case such small entities are the entity being merged or in case they are the combination between the merging financial stakeholders and the entity being merged. Proportionality has also been introduced where the ratio between the purchase price or book value of the financial stakeholder being merged and the total eligible capital of the merging financial stakeholder 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 size and low complexity of the entities involved in the merger, or the low materiality of the impact of the merger for the merging financial stakeholder, the integration of the required for purposes of the merged will be smoother. Furthermore, to avoid duplication of burden and to take into account Title II of Directive (EU) 2017/1132 on Company Law (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 that Directive.

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

About material acquisitions, the assessment methodology developed in the RTS encompasses the ongoing compliance with prudential and AML/CFT requirements 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 requested to the merging financial stakeholder in case of mergers. However, given that the CRD does not envisage an assessment of the notification (unlike for material acquisitions, mergers and divisions), Chapter 2 of the RTS embeds additional proportionality. Similarly to the other material operations, relevance is given to proportionality in case of intra-group transfers.

Regarding mergers, Chapter 3 of the RTS clarifies that the "financial stakeholder carrying out the operation" and submitting the notification is the entity that will result from the proposed merger – i.e. the merging financial stakeholder. To enable the assessment of the continuous compliance with prudential requirements, the 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, badwill 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 RTS requires the submission of a plan describing the integration project, including its governance and timeline. The notification and prudential assessment processes applicable to intra-group mergers within the meaning of Article 27i(2) CRD are aligned with those developed under Chapter 1 reflecting the alignment of the Level 1.

Regarding divisions, the RTS builds up on the Company Law Directive where the regime on divisions is developed via reference to the regime on mergers. Along these lines, Chapter 4 of the 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 RTS to allow considering the specificities of these operations for which little practice has been developed so far throughout the EU.

3. 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 material 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. The mandates conferred to the EBA by Articles 27c and 27k CRD have been merged into a single ITS for purposes of regulatory simplification, considering their similarity.

Chapter 1 of the 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, the assessment has 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 focus 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.

2. Background and rationale

1. Overview of the regime applicable to material acquisitions, material transfers, mergers and divisions introduced by the CRD6

1. The CRD6 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 or liabilities; (c) mergers; and (d) divisions. The new regime aims to level the playing field across the Union against current national fragmentation. To capture transactions that impact the prudential requirements of the entities subject to the new three tools, the legislator has introduced a 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 proceeding 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 regime applies when the transferor or the transferee which are a credit institution, a FHC or a MFHC 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. Article 27f(2), third sub-paragraph, CRD sets out exceptions to the application of this regime, 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 by the financial stakeholder (i.e. credit institution or (M)FHC) carrying out the proposed operation which is assessed by the competent authority receiving the notification. However, mergers between financial stakeholders that are part of the same group are subject to discretionary assessment (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 or the division, leverage on those set out in Article 23 CRD for the assessment of proposed acquisitions of qualifying holdings, namely, the assessment of: 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, which has to be considered by the competent authority.

7. The European Banking Authority (EBA) is mandated by Article 27b(7) CRD, to develop regulatory technical standards to further specify aspects of these material operations ('**the 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 the RTS to take into consideration Title II of Directive (EU) 2017/1132 on Company Law ('Company Law Directive').

8. The deadline for the submission of the RTS to the European Commission is 10 July 2026.

9. The implementation of the regime on material acquisitions, mergers and divisions 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 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 ('the ITS').

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

Figure 1: Mandates for RTS and ITS in relation to each material operation

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. During the development of the RTS and of the ITS, the EBA has closely liaised with the European Commission for the interpretation of the relevant provisions of the CRD6.

2. RTS on material acquisitions, material transfers, mergers and divisions

a) General aspects

13. The RTS leverage on other EBA regulatory products, including the 'parallel' RTS on minimum list of information for the notification of proposed acquisitions of qualifying holdings under Article 23(6) CRD[2].

14. The 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 RTS lay down the methodology to determine such thresholds, considering that their uniform determination is essential to the harmonised application of the new regime across the EU. To avoid the circumvention of the notification 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 RTS in various ways. Common provisions apply to all chapters of the 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 the be re-submitted; b) depending on the circumstances of the acquisition or of the merger, e.g. in case of hostile acquisition, the proposed acquirer shall 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.

[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. That RTS has been deprioritized by the European Commission (De-prioritisation of Level 2 acts in financial services legislation - Finance) and its finalisation has been frozen.

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 its 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, i.e. of material acquisitions directly carried out by subsidiaries of the proposed acquirer, the RTS clarify that in such case, 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 material acquisitions between entities of the same group (as per Article 113(6) CRD) or between entities within the same institutional protection scheme (as per Article 113(7) CRD), the RTS require the proposed acquirer to only submit a streamlined list of information, considering that the Level 1 subject these operations to discretionary assessment by the competent authority.

19. The 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;
    - the description of the determination of the materiality threshold;
    - the qualitative and quantitative information on the three-year business plan, including forecast financial information and impact on prudential ratios and requirements of the proposed acquirer (more comprehensive information is requested in case of acquisition of controlling stake); and
    - the 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 financial and prudential forecasts, and internal governance.

21. The part on process significantly leverages on the regime applicable to 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 sector[3]. The provisions focus on the submission of the notification by the proposed acquirer to the competent authority, specifying 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

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

22. This Chapter significantly leverages on Chapter 1, however the information requirements are more streamlined given that the notification is not followed by a supervisory assessment under the CRD. Furthermore, given the different prudential impact of 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 applicable to the merging financial stakeholder, given integration similarities. The RTS require reduced information in case of intra-group material transfers.

23. The general rules on proportionality apply here via cross-reference to the relevant provisions in Chapter 1.

d) Chapter 3: mergers

24. Chapter 3 of the RTS on mergers clarifies that the financial stakeholder carrying out the operation and submitting the notification is the credit institution or (M)FHC that will result from the proposed merger, so the merging financial stakeholder.

25. Like Chapter 2 on material transfers, also Chapter 3 leverages on the list of information set out in Chapter 1 on material acquisitions to ensure internal consistency. This is important also considering that in several cases the acquisition will precede the merger.

26. With 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.

27. The RTS pays attention to entities that are small in size and envisage two buckets of proportionality, the first applies where the entity being merged has total assets equal or lower than EUR 1 bn, the second where the sum of the total assets of the entity being merged and merging 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 financial stakeholder.

28. 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[4].

29. The RTS require the proposed merging financial stakeholder to submit a business plan with a description of the underlying business rationale and business strategy, describing the material changes to the business model and internal governance, supported by financial and prudential forecasts. These documents enable the competent authority to undertake a forward-looking assess-

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

ment of the proposed operation, focussing on the sustainability of the business model and the continuous compliance with the applicable prudential requirements. The notification has to contain also an implementation plan, a key aspect for the success of the operation, concerning the implementation of the business and operational integration of the entity being merged, hence an element of focus for 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.

30. 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 RTS provides a common and transparent reference for the additional requirements that applicants should factor into their plans and emphasise the need for consistency between risk and capital as important elements of the business plan. The RTS also set 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.

31. On systemic importance, the 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.

32. Where badwill is recognised, it has a positive effect on the own funds of the entity resulting from the merger. The RTS sets out that the competent authority shall consider the emergence of accounting badwill, the transaction and integration costs, the assumptions underlying the asset and liability valuations, in order to assess whether badwill has a material impact on the ability of the merging financial stakeholder to meet prudential requirements after the merger. This approach applies to the prudential assessment of the material operation and takes into account that external certification could be required after the merger with the support of more stable figures; and that the competent authority has ongoing supervisory powers to adopt mitigation or supervisory measures as needed.

33. With regard to the process for the notification and the assessment, the RTS cover (i) requirements on the submission of the notification by the financial stakeholders, (ii) the process applicable to the notification and to the prudential assessment and (iii) the communication of the exercise of the discretion not to assess mergers between financial stakeholders of the same group, will be exercised. Considering that the Level 1 does not lay down provisions on the process applicable to all other merger cases, the RTS does not provide for such regime.

e) Chapter 4: divisions

34. The Chapter on divisions follows the approach laid down in the Company Law Directive and builds upon 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'.

35. 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 ITS on consultation is particularly relevant for this operation.

36. Considering that divisions are still infrequent operations, the 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 RTS encourage pre-contacts with the competent authority to which the notification has to be submitted.

37. The proportionality criteria laid down in Chapter 3 for mergers also apply to this Chapter. Similarly to Chapter 3, information already in possession of the competent authority is exempted from submission by the notifying entity. Similar non-duplication of burden is envisaged for the information already contained in the documents prepared for the division under the Company Law Directive.

38. 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, save for the discretionary assessment that the Level 1 does envisage for divisions.

3. ITS on consultation process between the relevant competent authorities

39. In relation to acquisition of a material holding, Article 27c CRD lays down cases of cooperation 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.

40. 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.

41. 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.

42. The articulation of the process and related formalities under this ITS leverage 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)).

43. 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:

(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.

44. In addition, 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 ITS provides that both authorities have to cooperate to coordinate the timeline of both assessments.

45. The second scenario covered by Chapter 2 of the 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 of such proposed acquisition 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 is 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.

46. 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 notification 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.

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

3. 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/EU[5], and in particular Article 27b(7), fourth subparagraph thereof,

Whereas:

(1) A list of information is necessary to support a harmonised prudential assessment by the competent authority of 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 transfers of assets or liabilities, 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) 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.

(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 on a consolidated or at individual basis or both. In case of indirect material acquisitions

[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.

which are directly carried out by one or more subsidiaries of the proposed acquirer, that are included within its scope of consolidation and that are not institutions, financial holding companies or mixed financial holding companies under Article 21a(1) of Directive 2013/36/EU, information should only be submitted on a consolidated basis, given that the materiality threshold may only be met at that level.

(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 proportionality reasons, it is opportune that the notification and the related assessment be correlated not only to the materiality threshold but also to the level of influence that the proposed acquirer will be able to exercise in the target undertaking. For this reason, in case of material acquisitions providing the control of the target entity, the proposed acquirer should submit more comprehensive information including a business plan, whereas in minority material acquisitions the proposed acquirer should be requested to submit a reduced set of information.

(8) To enable a forward-looking assessment of the prudential impact of proposed material acquisition on the proposed acquirer, the notification should describe of the underlying business rationale and business strategy, and 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 and prudential forecast, including the most important prudential ratios and requirements at all relevant levels of prudential reporting. Information on the financing of the proposed acquisition, in particular in the case of use of borrowed funds, should also be submitted with the notification, having regard to the proposed acquirer's ability to reimburse such funds, and to the legitimate origin of such funding.

(9) 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 and systems should be submitted by the proposed acquirer.

(10) 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 such information is clearly indicated by the proposed acquirer and it is still true, accurate and up-to-date. The same exemption should apply to the notification submitted in case of proposed material transfers of assets or liabilities, mergers or divisions.

(11) 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.

(12) 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 or the merging financial stakeholder should bring such difficulties to the attention of the competent authority indicating the elements 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 their availability which should be sufficient for the competent authority to carry out the prudential assessment of the proposed operation, and should update them so long as additional information becomes available.

(13) In the cases of material acquisitions or mergers subject to discretionary assessment by the competent authority under Article 27a(7) and Article 27i(2) of Directive 2013/36/EU, it is opportune to request a reduced set of information corresponding to the lower complexity and risk profile of the proposed material acquisition and able to support the competent authority to form a view in an expedite manner whether not to carry out the assessment and in such case, the competent authority should communicate it to the proposed acquirer within a reasonable time, and without undue delay. Such proportionate list of information should be submitted also in other case of intra-group material acquisitions that are not covered by discretionary assessment under that provision, having regard to the existing integration between entities belonging to the same group.

(14) 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 of the proposed acquisition, focusing on the changes to the business model, to the internal governance arrangements, to the review of the financial and prudential forecasts. 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.

(15) 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.

(16) 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. Consistently with the other material operations covered by this Regulation, in case of intra-group material transfers a reduced set of information should be submitted by the notifying entity, given the increased knowledge of the counterparty and of the assets or liabilities being transferred.

(17) 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 such merging financial stakeholder submits a notification covering the details of the proposed merger and the relevant information about the entity or financial stakeholder that will cease to exist and that is being merged ('the entity being merged' and together with the merging financial stakeholder 'entities involved in the merger'); changes to the business model of the merging financial stakeholder accompanied by financial and prudential forecasts, as well as a detailed implementation plan about the integration between the merging financial stakeholder and the entity(ies) being merged.

(18) 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 include the prudential deficiencies if any of the entity being merged and 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 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 arrangements, risk assessment, 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.

(19) 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 support that 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.

(20) Where the proposed merger presents a lower level of complexity because the entity being merged is small in size, or when the merging financial stakeholder and the entity being merged are small in size, have a low level complexity and risk profile, and their combined total assets at the time of the notification do not exceed Euro 5 billion, it is proportionate to request a significant reduced set of information to be notified to the competent authority.

(21) Where the proportionality criteria above do not apply, but the proposed merger presents a lower level of complexity because it concerns financial stakeholders and entities from the same group, including institutions that are permanently affiliated to a central body which is supervised as a group, that for this reason already share business and operational integration, it is proportionate to request the notification of a reduced set of information to support the competent authority's assessment, provided the proposed merger does not envisage to alter the group prudential consolidation perimeter. The same reduced set of information should be submitted where the ratio between the purchase price or the book value of the entity or entities being merged and the total eligible capital of the merging financial stakeholder is not material since it is lower than 15%.

(22) In all cases referred in recitals (20) and (21), the assessment of the proposed merger by the competent authority should reflect the proportionality of the submitted information.

(23) 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 (EU) 2017/1132 relating to certain aspects of company law[6], the merging financial stakeholder or the financial stakeholder being divided as the

[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.

case may be, should be allowed to submit such documents for purposes of the notification.

(24) 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.

(25) 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.

(26) In order to ensure a smooth integration of the entities involved in the merger and to 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.

(27) 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 the material operation, such as the impact of potential deficiencies of the entity being merged on the merging financial stakeholder after the proposed merger.

(28) 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.

(29) 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.

(30) To ensure a transparent and efficient process, the competent authority should acknowledge the receipt of the notification either if it is complete or incomplete. 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 receipt of the missing information when acknowledging receipt of a complete notification.

(31) 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.

(32) 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 Council[7],

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 5 and in accordance with Article 6, 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.

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 holding and the proposed acquirer's eligible capital as reported in the latest reporting period in accordance with Commission Implementing Regulation (EU) 2021/451[8]. 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.

   By derogation to the first sub-paragraph, where the proposed acquirer is an institution which 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, the information on the determination of the materiality threshold shall be provided only on a consolidated basis.

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

[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.

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.

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 relevant authority on an individual basis and, where applicable, on the basis of the prudential 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) the materiality threshold determined in accordance with Article 1(2), and where the threshold referred to in Article 27a(2) of Directive 2013/36/EU 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 is 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 chart of the group structure with indication of the share of capital and voting rights of shareholders or members with holdings enabling to exercise control in the group entities, 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 Council[9];

(k) verification 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) where available, information about 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 imposed on the target entity, any member of the management body of the target entity or the ultimate beneficial owner, in the past 10 years, or where such information is not available to the proposed acquirer, description of the adequate steps undertaken by the proposed acquirer at individual, consolidated and sub-consolidated level (where applicable) to understand if any such measure has been imposed.

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:

[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)

(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;

(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, 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 18(1), point (c);

(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.

Article 4

Information required where the proposed acquisition does not provide the control of the target entity

Where the proposed acquisition does not provide the control of the target entity the proposed acquirer shall demonstrate its capability to continue to comply with the applicable prudential requirements by submitting a business plan covering the three years following the proposed acquisition, including a description of 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) where applicable, 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 markets, target customers 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 and expected dis-synergies;
(f) where available, the current credit rating of the proposed acquirer and, where applicable, the overall credit rating of its group;
(g) changes occurred or envisaged to occur after the latest approved financial statements, where they materially impact the prudential soundness of the proposed acquirer or its group;
(h) the forecast financial metrics set out in point (a) of Article 5(6) on a baseline scenario basis and, considering the size, complexity and risk profile of the proposed acquirer and of the target entity, also on a stress scenario basis;
(i) a description of the accounting treatment of the proposed material acquisition and the forecast prudential information set out in Article 5(8) and (9), and in points (a) to (e) of Article 5(10) on a baseline scenario basis, as well as the information set out in the

second and third subparagraph of that paragraph (10), as applicable. Such information shall be submitted also on a stress scenario basis, considering the size, complexity and risk profile of the proposed acquirer and of the target entity;

(j) a chart illustrating material changes to the internal governance arrangements and organisational structure of the proposed acquirer and, where relevant, of the group following the proposed acquisition;

(k) where applicable, outline of the envisaged material changes to AML/CFT related internal system s and controls.

For purposes of points (h) and (i), Article 5(3) shall apply, as well as Article 5(5) where relevant. Furthermore, the referred financial and prudential forecasts shall set out the reliance and sensitivity to the expected performance of the target entity and shall be supported by adequate supporting evidence, including the information referred to in point (g) of this Article.

Article 5

Information required when the material acquisition provides the control of the target entity

1. Where the proposed acquisition provides control of the target entity, the proposed acquirer shall submit a business plan that shall include:
   (a) the information set out in Article 4, points (a) to (g);
   (b) the quantitative financial and prudential forecast information necessary to demonstrate the viability and the on-going sustainability of the proposed 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 paragraphs (6) and (7) 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 points (g) of Article 4(1).
5. The stress scenario shall be based on a severe but plausible idiosyncratic and macroeconomic 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 badwill and goodwill, 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 calculation of the large exposures requirement in accordance with Part Four of Regulation (EU) No 575/2013;

    (f) forecast determination of any concentration risk towards the target entity or its group;

    (g) 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 Article 5(6) and in points (a) to (g) of this paragraph determined computing the proposed material acquisition and without computing the proposed material acquisition.

11. The business plan shall also cover to the extent possible all material changes to the internal governance of the proposed acquirer on the individual or on the consolidated basis of the group as applicable, demonstrating its ability to support such material changes 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) changes to AML/CFT related internal systems and controls to mitigate new or increased potential ML/TF risks, as referred to in point (d) of paragraph (7);

    (e) 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[10];

    (f) 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.

Article 6

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 5 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 the existence of issues relating to 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 all the information within its availability, which shall have to be sufficient to the competent

[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).

authority to carry out the prudential assessment. The proposed acquirer shall update the competent authority as soon as further information becomes available.

3. By derogation to Articles 3(1), points (e) to (l), Article 3(2), points (c) to (e), Article 3(3) and (4), Articles 4 and 5, where the proposed acquisition of a material holding is conducted between entities of the same group, including between credit institutions affiliated to a central body which are supervised as a group, 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 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 an explanation of the integration process, where applicable; and
   (e) the information set out in Article 3(3), second sub-paragraph, where applicable, and an outline of envisaged impact on the AML/CFT policies and arrangements.

Article 7

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 by virtue of its supervisory activities.
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 take into account 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 and related predicated offences, 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 8

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, the size, complexity and risk profile of the proposed acquirer and of the target entity, as well as whether the material holding 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 the business model's viability and sustainability and whether internal governance arrangements are commensurate to support envisaged business or structural changes.
3. The competent authority shall also review the content of the business plan related to internal governance arrangements and, where applicable, the information received under Article 5(11), 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 in order to ensure a sound and effective internal governance at individual or consolidated level.
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 9

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

1. For assessing the viability and sustainability of the business model, the competent authority shall review the credibility of the assumptions underlying the financial forecasts, having regard among others to their consistency with the overall strategy and business plan. The competent authority shall also pay attention to the consistency with the financial statements of the proposed acquirer of the past three years.

   In case of acquisition of the control of the target entity, the competent authority shall also review the risk assessments referred to in Article 5(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 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.

3. The competent authority shall use the conclusions of the assessment of the business plan and of the financial and prudential forecast submitted under Article 4 and 5, in order to assess the forecast determinations of the continuous compliance with prudential ratios and requirements referred to in Article 5(10) and in other applicable Union legal acts.
4. The competent authority shall review the allocation of the purchase price of the material holding, including badwill or goodwill, the transaction and integration costs, and the assumptions of the asset and liability valuations, in order to assess whether badwill has a material impact on the sustainability of the business model and the continuous compliance with prudential requirements referred to in article 5(10) and in other applicable Union legal acts.

Article 10

Assessment of the proposed acquisition from an AML/CFT perspective

1. The competent authority's assessment 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. For these purposes, the competent authority shall also have regard to the integrity of the target entity, the members of the management body and the ultimate beneficial owner.
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. 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 11

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 as 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 12

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 that Directive, 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 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] before sending the acknowledgement of receipt under Article 27a(5) of Directive 2013/36/EU, irrespective of whether any of them considers the notification complete or incomplete.

6. Where Article 27a(7) of Directive 2013/36/EU applies, the competent authority shall communicate to the proposed acquirer within a reasonable time from the acknowledgement of receipt of complete notification and without undue delay, whether it will not carry out the related assessment.
7. Where the proposed acquisition amounts to a direct or indirect acquisition of qualifying holdings in a credit institution in accordance with Article 22(1) of Directive 2013/36/EU, or in a EU financial sector entity and is 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 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], irrespective of whether it considers the notification complete or incomplete.
8. The proposed acquirer is encouraged to engage in contacts with the competent authority prior to the formal submission of the notification, in particular where the notification and assessment of the proposed acquisition entails coordination between different competent authorities.
9. 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.

Chapter 2

Material transfer of assets or liabilities

Article 13

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, address of its registered office and indication whether it is part of the same group of the notifying entity, including institutions that are permanently affiliated to a central body and which are supervised as a group;
      (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 of 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, including 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 14

Information to be submitted by the proposed transferee

1. Where the notifying entity is the proposed 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 4, points (a) to (e), applicable *mutatis mutandis.*

The transferee shall demonstrate its ability to support the integration of the material transfer within its internal governance and systems and shall submit a 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, ICT security and risk management framework and systems, operational continuity and resilience capabilities, and the envisaged timelines, milestones, impact on full time employee basis by function, and critical aspects of the envisaged integration process.

2. The business plan referred to in paragraph (1) shall contain the necessary quantitative financial and prudential forecast 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 5(6);

(b) the information set out in Article 5(10), as applicable.

For purposes of point (b), the transferee shall also provide a comparison of all the metrics set out in point (a) to (g) of Article 5(10) 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.

3. The stress scenario shall be based on severe but plausible idiosyncratic and macro-economic adverse scenario and shall include management actions.

4. The business plan assumptions shall be credible and realistic and shall rely on official macroeconomic forecasts elaborated by a Union or public national institution.

5. Where the proposed transferor and the proposed transferee are from the same group, including institutions that are permanently affiliated to a central body and which are supervised as a group, the information set out in paragraph (2) shall only be submitted on a baseline scenario basis.

Article 15

Information to be submitted by the proposed transferor

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, on 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 5(10), points (a) to (f);

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 16

Proportionality and reduced information

For the purposes of this Chapter 2, Article 6(1) and (2) apply *mutatis mutandis*.

By derogation to Article 15, in case of intragroup material transfers, the notification submitted by the transferor shall contain the information set out in Article 13 and Article 6(3).

Chapter 3
Mergers

Article 17

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.
2. The notification shall also include the following information about the entity being merged:
   (a) the information set out in Article 3(1), points (a), (b);
   (b) 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;
   (c) detailed description of its business activities;
   (d) 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;
   (e) 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 18

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 23(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;

(b) where available, the due diligence report; and

(c) by derogation to Article 22(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 19

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 (f) and (g) 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 20

Information on the reputation of the merging financial stakeholder

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.

Article 21

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 covering the information requested under Article 4, points (a) to (e) which shall apply *mutatis mutandis*.

2. The business plan shall contain 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(11), point (d).

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, covering all the following:
      (i) integration strategy, including the description of potential transfers of assets or liabilities or business lines;
      (ii) impact on the full-time employee basis, including a breakdown by function;
      (iii) envisaged timelines, milestones, and critical aspects of the envisaged integration process;
      (iv) 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;
      (v) foreseen reporting frequency to the competent authority on the progress of the implementation plan;
      (vi) integration risk register, including a description of key risks and mitigations, and
      (vii) business continuity and fallback plans for each critical function;
   (b) 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;
   (c) the plan to integrate and update the risk management framework, including the risk appetite framework and internal control functions;

(d) the ICT integration plan, with a description of 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;

(e) 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;

(f) the integration and update of the prudential and internal reporting, as well as potential additional reporting levels;

(g) 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 (d) of paragraph (3) shall be replaced by an outline of the ICT integration plan.

4. Where relevant, and considering the size, risk profile and complexity of the merger, the merging financial stakeholder shall also submit:

(a) a communication plan, describing how to inform internal and external stakeholders about the proposed merger and the potential consequences.;

(b) 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;

(c) the commercial plan, including details on cross-selling activities and initiatives.

Article 22

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 5(2), (3), (5) and (7) to (10) shall apply *mutatis mutandis*.

   The metrics referred to in Article 5(10) shall be determined computing the proposed merger and without computing the proposed merger.

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 19.

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 5(10), points (a) to (g), 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 5(7) and the capital measures in Article 5(8).

Article 23

Reduced information requirements

1. For the purposes of this Chapter 3, Article 6(1) and (2) of this Regulation apply *mutatis mutandis*.

2. The notification shall include the information listed in points (a) to (f), where the conditions set out in the second sub-paragraph are met:

   (a) the information set out in Articles 17, 18 and 20;

   (b) the business rationale and the business strategy of the proposed merger;

   (c) the timeline of the execution of the proposed merger;

(d) a description of the impact of the proposed merger from an AML/CFT perspective;

(e) 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 business and financial assumptions, for the three years following the execution of the proposed merger;

(f) a description of the integration project with the related timeline and the governance.

This paragraph applies when:

(a) the overall total assets of the entity or entities being merged are individually or together equal or lower than EUR 1 billion; or

(b) the sum of the total assets of the merging financial stakeholder and the entity or entities being merged is equal or lower than EUR 5 billion;

3. Where paragraph (2) does not apply, the notification shall include 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 17-20, 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 21, paragraph (1);

(c) the financial forecasts in accordance with Article 22(4) and 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 5(7)-(9) and 22(5) 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 5(3). Additionally, where relevant considering the size, risk profile and complexity of the merger, such financial forecasts and estimated prudential impact, shall cover the ability of the merging financial stakeholder to continue to comply with the applicable prudential requirements under a severe but plausible adverse scenario as per Article 5(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, impact on full time employee basis by function, 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) 2021/451[11] 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 17, 18, 21 and 22. Where paragraphs (2) or (3) apply, the information set out in Articles 21 and 22 shall be replaced by the information requested in the relevant applicable paragraph.

5. Where Directive (EU) 2017/1132 applies, the merging financial stakeholder shall be exempted from the submission of the information set out in Articles 18 to 21 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.

   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 (EU) 2017/1132.

Article 24

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 7 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.

[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).

Article 25

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 20 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.

Article 26

Assessment of the business plan including internal governance and the implementation plan

1. The competent authority shall review the business plan including internal governance, and the implementation plan received under Article 21 or, as applicable, Article 23(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 and prudential forecasts reflect the risk assessments referred to in Article 5(7) applicable *mutatis mutandis*.
3. The competent authority shall review the elements of the implementation plan in Article 21(3) or of the integration project as per Article 23(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, dis-synergies, 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 the emergence of accounting goodwill or badwill, transaction and integration costs, the assumptions of the asset and liability valuations, in order to assess whether badwill has a material impact on the sustainability of the business model and on the ability of the merging financial stakeholder to continuously comply with prudential requirements referred to in article 5(10) and in other applicable Union legal acts after the proposed merger.
6. The competent authority shall assess the information provided on the integration of the functional areas and related personnel resources of the entities involved in the merger, 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 21(3), points (b) to (g), the competent authority shall in particular check:
   - (a) the adequacy of the approach to (transitional) service agreements affecting critical or important functions;
   - (b) the completeness, clarity and plausibility of the plans to integrate risk management capabilities;
   - (c) the completeness, clarity and plausibility of the ICT integration plan, including having regard to the regime set out in Regulation (EU) 2022/2554;
   - (d) the comprehensiveness and soundness of the new or materially changed policies and agreements with third party providers;
   - (e) 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.

Where Article 21(4) applies, the competent authority shall 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 adequacy of the staffing and retention plan;
- (c) the credibility of the commercial plan focusing on the activities and initiatives to achieve the estimated commercial synergies.

8. In the cases covered by Article 23(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 23(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 22(6) or, as applicable, Article 23(2) and (3), and consider the 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 to evaluate the plausibility and timelines of changes to the systemic designation and to the buffer requirements following the merger and to assess the prudential implications.
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, where the merger envisages transfer of deposits, the competent authority shall pay attention that the authority responsible for the supervision of the deposit guarantee scheme is duly informed.

Article 27

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 10 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 28

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 11, paragraph 2 shall apply *mutatis mutandis*.

Article 29

Process applicable to the notification and to the prudential assessment

Where Article 27i(2) Directive 2013/36/EU applies, the provisions set out in Article 12, paragraphs 1 to 3, 8 and 9 shall apply *mutatis mutandis*. 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, of that Directive shall apply.

The competent authority shall communicate to the proposed acquirer within a reasonable time from the acknowledgement of receipt of complete notification and without undue delay, whether it will not carry out the related assessment.

Chapter 4
Divisions

Article 30
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 18(1), points (c), (f) to (i), Article 18(2), and Articles 20, 22, 23(2), point (d), 23(3), point (c), 23(3), third sub-paragraph, 25 and 26, 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 18(1), points (c), n. (ii), (g) and (i), and for Article 21(3), point (b), Article 23(2), sub-paragraph (2), point (a), and Article 23(3), third sub-paragraph, where it shall mean ‘financial stakeholder being divided’.

Article 31
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 17-22 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 Directive, in case of cross-border division;
(iii)any other relevant information or document listed in Articles 17-22 applicable *mutatis mutandis*, having regard to the terms of the proposed division.

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.

2. Article 23 paragraphs (1) to (4) shall apply *mutatis mutandis*.

Article 32

Assessment of the notification of the proposed division

The competent authority shall assess the proposed division in accordance with Articles 24 to 27 as applicable *mutatis mutandis*, having regard to the terms of the proposed division.

Article 33

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

1. Article 28 shall apply *mutatis mutandis* to the submission of the notification by the financial stakeholder(s) being divided.
2. Article 29 shall apply to the process applicable to the notification and to the prudential assessment of the proposed division *mutatis mutandis*.

Chapter 5
Final provisions

Article 34

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 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 17(2), points (a) to (e) and Article 18 of [*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 21(1) and in Article 21(3) and Article 21(4) of [*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 23(2) or (3) of that Regulation apply, the referred information set out in Article 21 shall be replaced with the information listed in the Article 23 paragraph (2) or (3), as applicable, of that Regulation.

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/EU[12], 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) of Directive 2013/36/EU 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 their exchange of information, competent authorities should designate dedicated contact points for the consultation process referred to in

[12] 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.

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 non-group entities. Therefore, specifications on the requirement to send the consultation notice no later than 10 working days after the commencement of the assessment period only apply to intra-group mergers and divisions. In the other cases, the consultation notice should be sent as soon as possible after the commencement of the assessment.

(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. For sake of clarity, the consolidating supervisor should inform the proposed acquirer of the start of this phase of the procedure and th at 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 Supervisory[13],

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:

[13] 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), 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, as applicable, and, in any event, no later than 10 working days after the commencement of the assessment period referred to in Article 27a, paragraph (6), first sub-paragraph of that Directive.

2. In case of consultation in accordance with Article 27k, paragraph (1) of Directive 2013/36/EU where the proposed operation involves only financial stakeholders from the same group as per Article 27i, paragraph (4), second sub-paragraph, of that Directive, the requesting authority shall send a consultation notice to the requested authority as soon as possible after receipt of a notification referred to in Article 27i, paragraph (1) of Directive 2013/36/EU and in any event no later than 10 working days after the commencement of the assessment period. Where the proposed operation does not only involve financial stakeholders from the same group, the consultation notice shall be sent as soon as possible to carry out an effective assessment.

3. 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.

4. 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.

5. 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 and no later than 20 working days 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.

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 from the issuance of the acknowledgement of receipt of a complete notification, shall inform of the proposed acquisition and of the start date of assessment period, the designated contact point of the consolidating supervisor by electronic means.

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.

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)][14] 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 operations between financial stakeholders belonging to the same group:

[14] 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 office[15].

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

…………………………………………………………………………………………………
…………………………………………………………………………………………………
………………………………………………………………………………………………

[15] 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 (Article 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 or 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 (Article 18, 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][16] 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][17] 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][18] 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;*

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

[17] Only if the proposed operation is a division.

[18] 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][19], 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]

[19] Correct situation to be selected.

4. Accompanying documents

4.1 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 Final report on (i) Regulatory Technical Standards (RTS) based on under Article 27b(7) of Directive 2023/36/EU, specifying the minimum list of information to be submitted with the notification of proposed acquisitions of a material holding, material transfers, mergers and divisions, the assessment methodology and the process applicable to the notification of proposed acquisitions of a material holding, mergers and divisions ,mergers and divisions ('RTS') 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 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 institutions[20] 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.

[20] 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.

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 23(2), sub-paragraph 2 of Commission Delegated Regulation (EU) [XXXX/XX on information, assessment methodology and process applicable to the acquisition of material holdings, material transfer of assets or 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,[21] 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
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%

[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.

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 licencing 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 CRD) and the one in case of mergers and divisions which is less articulated (eg. no joint decision) (Article 27k CRD). 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 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 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.

4.2 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 badwill, 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?

4.3 Feedback on the public consultation

Summary of key issues and the EBA's response

The public consultation on the draft RTS on material acquisitions, material transfers, mergers and divisions and on the ITS on consultation and cooperation ran from 5 December 2025 to 5 March 2026: 6 stakeholders submitted public comments (AFME, EBF, FBF, German Banking Industry Committee (GBIC), European Savings and Retail Banking Group (ESRBG), Nordic Financial Union). 1 stakeholder submitted confidential comments.

Below is a summary of the main messages embedded in stakeholders' comments:

- **Proportionality**: stakeholders acknowledged efforts made to streamline information requirements, however they submitted suggestions to further enhance proportionality of the information requirements.

- **Indirect material acquisitions**: based on ECJ decision in *Fininvest v ECB*, C-512/22 P and C-513/22 P, of 19 September 2024, ECLI:EU:C:2024:774, on intra-group restructurings and potential indirect acquisition of qualifying holdings, stakeholders argued that indirect material acquisitions should not be subject to notification.

- **Intra-group material acquisitions and mergers**:

    - **discretionary assessment criteria**: in accordance with Article 27a(7) CRD, intra-group material acquisitions (within the meaning of Article 113(6) CRD), material acquisitions between entities belonging to the same IPS (under Article 113(7) CRD), and mergers between financial stakeholders belonging to the same group as well as between credit institutions affiliated to a central body and supervised as a group (Article 27i(2) CRD)are subject to discretionary assessment. Stakeholders underscore that the RTS should clarify supervisory expectations, setting out the criteria where discretion not to assess the proposed operation will be exercised.

    - **different notions of 'intra-group'**: stakeholders underscore the existence of different notions of group and intra-group operations across the three material operations.

- **Process**: stakeholders have emphasized the complexity and the length of the process. They have underscored legal uncertainty for extra-group mergers and divisions, and asked:

    - clear, predictable timelines and to avoid unspecified deadlines both in the RTS and in the ITS (e.g. 'reasonable time') since they disrupt the execution of the transaction and increase legal uncertainty;

    - process articulation and assessment timeline for extra-group mergers and divisions;

- submission of only one notification in case of parallel proceedings: e.g. material acquisitions and qualifying holdings.

- **Information requirements**: stakeholders generally welcomed efforts made to embed proportionality but suggest:
  - clarifying that the RTS lays down a maximum rather than a minimum list of information;
  - leveraging on existing supervisory information and on cooperation between authorities to reduce repeated requests;
  - with regard to material acquisitions, deletion of the requirement to lay down a summary notice to be submitted to the competent authority to the consolidated supervisor;
  - reducing the level of detail of information in particular on the business plan, financial and prudential forecasts, and on governance, in particular for material acquisitions and extra-group mergers;
  - streamlining the list on information for intra-group material transfers in line with the approach taken for intra-group material acquisitions, intra-group mergers and intra-group divisions;
  - reducing the relevance attributed to AML/CFT information requirements and related assessment.

Main changes made to the RTS and ITS to accommodate stakeholders' comments

Indirect material acquisitions. It is noted that acquisitions of material holdings and acquisitions of qualifying holdings entail different prudential assessments and are regulated by distinct CRD provisions. The ECJ decision in *Fininvest* v. *ECB* relates to the application of the regime on qualifying holdings, and absent an express indication that it also covers the regime on acquisitions of material holdings its ruling cannot be extended.

Discretionary assessment criteria: to make the assessment of intra-group operation smoother and more efficient, the RTS has been amended to requests the competent authority to communicate to the proposed acquirer and the merging financial shareholder within a reasonable time and without undue delay whether it will not assess the proposed operation. This flexibility adds to the proportionate list of information that the RTS sets out in case of intra-group operations.

Different notions of 'intra-group'. For simplification and internal consistency, the RTS has been amended to use the same broader notion of intra-group operations, based on the notion of group defined in point (138) of Article 4(1) CRR referring to Article 22 of Directive 2013/34/EU (Accounting Directive), across all four transactions. This allows requiring streamlined sets of information to a broader range of ‘intra-group’ operations. However, such proportionate approach only operates on the level of information requirements, not on the cases subject to discretionary assessment (as per Article 27a(7) and 27i(4) CRD) and related timeline that are set by the Level 1 and cover different notions of intra-group as referred above.

Clear and predictable timelines. The ITS has been amended to introduce deadlines for cooperation between competent authorities in line with the deadlines set out in the similar Commission Implementing Regulation (EU) 2017/461 on cooperation for the prudential assessment of qualifying holdings.

Maximum rather than a minimum list of information. To align with drafting legal requirements, the RTS has been amended and ‘at least’ has been deleted from the paragraphs introducing lists of information requirements.

Leverage on supervisory information and on **cooperation between authorities**. No change has been made since the comments are already addressed by the RTS, in particular in Article 6(1) and by the ITS on consultation and exchanging of information between competent authorities.

Reduce the level of detail of information. The RTS have paid significant attention at embedding proportionality for information requirements. Different and streamlined sets of information are envisaged for intra-group material operations (including intra-group material transfers), for controlling and minority material acquisitions, for mergers and divisions with or between small entities, irrespective of whether they are intra-group or extra-group. In all cases, such reduced sets of information aim to provide the necessary documentation to enable the competent authority to carry out the prudential assessment of the material operation in accordance with the criteria set out in the Level 1. However, where possible, the RTS has been amended to simplify the information requirements without affecting the prudential assessment of such strategic material operations. Notably:

a) About **material acquisitions**, the distinction between minority and controlling material acquisitions has been clarified, and the information requirements for minority acquisitions have been further streamlined.

   The summary notice set out in former Article 3(5) has been deleted.

b) About **material transfers**, the draft RTS already distinguished between the transferee (subject to greater information requirements) and the transferor. Considering that the CRD only requires the notification and not the assessment of material transfers, the RTS has been amended to embed additional proportionality by:

   - requiring streamlined information to the transferor in case of intra-group material transfers;
   - aligning the information requirements for the transferee on governance and integration plan to that required for intra-group mergers.

c) Regarding **mergers**, some information requirements have been made conditional on the complexity and risk profile of the merger.

Relevance given to **AML/CFT information requirements** and assessment. It is noted that the Level 1 includes suspicion of AML/CFT risks as an assessment criterion for material acquisitions mergers and divisions, mirroring the assessment criterion set out for the acquisition of qualifying holdings. The Level 1 also envisages the involvement of AML/CFT supervisors in the assessment process and their power to adopt a negative opinion that needs to be considered by the prudential supervisor. In the light of this, some minor clarifying change but no significant amendment has been made to the RTS.

To accommodate stakeholders' comments, the wording of the provisions on **badwill** and on **Pillar 2** have also been clarified.

Request to submit information for the **suitability assessment of new member(s) of the management body** of the merging financial stakeholder. For simplification purposes this information request has been deleted, considering that fit and proper assessment is a separate procedure that takes place anyway under the CRD.

Summary of responses to the consultation and the EBA's analysis

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Responses to questions in Consultation Paper EBA/CP/2025/676			
General comments			
General considerations	In general, respondents support supervisory aims but flag proportionality/legal-basis concerns, duplication with qualifying holdings regime and suggest some amendments to enhance proportionality and to increase procedural legal certainty.	The EBA has carefully examined comments and suggestions and made amendments to increase proportionality and procedural legal certainty. To avoid legal basis concerns, one information requirement has been deleted. Where the EBA could not take comments into account, it has provided explanations in the table below.	
Question 1. **Do you agree with the methodology laid down in Article 1(2) on the determination of the materiality threshold?**			
Determination of materiality threshold	Two respondents welcome the prudential intent but object to the 12-month aggregation/anti-circumvention clause as going beyond CRD VI and creating legal uncertainty. They request to specify the legal basis of such clause and proportionate application or guidance. Furthermore, they seek clarification of which ratios are to be compared (purchase price vs. book value relative to eligible capital).	The purpose is of the 12-month aggregation is to avoid that the supervisory requirement be circumvented through multiple purchases below the threshold. The general circumvention risk justifies such exception and its restrictive scope.	No change
	One respondent suggested that the RTS should clarify how the purchase price should be determined for the purposes of Article 1(2) RTS and Article 27(d) CRD, as both refer to Article 27a(2) CRD	Under the RTS, the purchase price is the price paid by the proposed acquirer in case of acquisition of material holdings. Given that the notification has to be submitted prior to the conclusion of the transaction	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	when defining a material holding. They ask for their understanding to be confirmed that the purchase price is the price paid by the acquirer under Article 1(2) RTS and the price received by the seller under Article 27(d) CRD. They also note that the RTS does not specify which purchase price should be used when post-closing adjustments occur. Furthermore, the comment notes that RTS does not define the meaning of “book value” of the holding and that they assume (to be confirmed) that this term should be interpreted according to general accounting principles.	(see Article 27a(1) CRD), post-closing price adjustments cannot be taken into account for the notification. The book value of the holding has to be understood in accordance with general accounting principles.	
	One stakeholder welcomes the 12 months aggregation period but considers that the quantitative methodology should be complemented by qualitative elements such as i) implications for employment levels, skills concentration, or operational continuity and ii) strategic impact on critical financial infrastructure or regional access to financial services. Another respondent suggests adding indicators such as concentration and intraday liquidity indicators, differentiating temporary spikes from persistent trends, and linking the threshold to a clear escalation logic.	For sake of legal certainty and in accordance with the legislative intent, the materiality threshold can only be quantitative. Additional qualitative factors would add complexity and, rather, are used for the purposes of the prudential assessment.	No change
Indirect acquisitions	Two respondents argue that requiring the notification of indirect material acquisitions should	Article 27a(1) CRD covers both direct and indirect acquisitions. Considering that such regime only applies to credit institutions, and (mixed) financial holding companies and that it applies when the	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	not entail multiplication of notifications along the corporate chain and may go beyond the Level 1.	materiality threshold is met, indirect material acquisitions are those conducted indirectly by one of the captured entities (the proposed acquirer), provided the materiality threshold is met on a consolidated basis. The entity that directly carries out the material acquisition and that is not a credit institution, or a (mixed) financial holding company, is not subject to the material acquisition regime including the notification.	
Intra-group acquisitions	Three respondents argue that based on ECJ *Fininvest/ECB* judgment (19 September 2024) intragroup restructurings do not constitute acquisitions because there is no change in ownership percentage or control. Therefore, intragroup transactions cannot qualify as the acquisition of a material holding and should be excluded from notification requirements.	The EBA notes that the referred ruling concerns the application of Article 22 CRD on proposed acquisitions of qualifying holdings and it does not cover Article 27a CRD concerning material acquisitions. In case of intragroup material acquisitions, Article 27a(7) CRD entrusts the competent authority with the discretion to assess or not to assess the proposed material acquisition.	No change
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)?			
	One respondent believes proportionality is well embedded but requires clearer operationalisation. They recommend defining objective triggers for “specific cases” under Article 7(3) of the draft RTS, keeping a non-negotiable baseline information set, allowing evidence reuse to avoid duplication, and documenting proportionality decisions for consistency and legal certainty.	The EBA considers that the framework established in Article 7 (current Article 6) RTS provides an appropriate balance between proportionality and competent authorities’ need to obtain sufficient information to understand the prudential implications of the proposed acquisition. Such balance leverages on reuse of information in possession of the supervisor and embeds proportionality reflecting circumstances of the material operation (hostile, intra-group etc…)	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Parallel proceedings: qualifying holdings and material holdings	Three respondents emphasise that a single set of information and a single assessment should apply to transactions that trigger both qualifying holdings (Art. 22–27 CRD), and material holdings regime (Art. 27a–27l CRD). They argue that duplicated assessments— especially involving both the consolidated supervisor and the target's supervisor— create unnecessary burden and contradict the harmonisation intent of CRD. Where the qualifying holding regime applies, a simple, minimum notification for the material holding should be required.	The CRD envisages that the prudential impact of an acquisition may be assessed against the proposed acquirer and the target entity when the meet the materiality threshold and the qualifying holding requirement.. The EBA has to align with the Level 1, however the draft RTS endeavour to minimize duplicative burden for the proposed acquirer involved in both assessments, by a) laying down consistent information requirements for both procedures; b) exempting from the submission of some information where it is already in possession of the competent authority; c) fostering cooperation between the competent authorities involved in the same transaction including in respect of the timeline of the assessment.	No change
Article 3(1)(c) information on the proposed acquisition (intra-group acquisition)	One respondent suggested clarifying that this paragraph also applies in case of material acquisitions 'between entities that are permanently affiliated to a central body and supervised together as a group'.	The requested indication has been included in the provision.	Amendment to Article 3(1)(c)
Article 3(1)(f) and 3(3)(d) – use of the term group	One respondent observed that the term "group" is used throughout the text, but greater precision should be sought as to whether it means the entire group of the target or just the target entity and the companies for which it is parent. A more expansive reading could require a large amount of information to be provided that is unnecessary for the assessment (see e.g. Art 3(1)(f)), 3(3)(d).	In Level 2 regulation, the same definition of the Level 1 apply. So, where differently specified, group has the meaning set out in point (138) of Article 4(1) CRR.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Article 3(1)(h) – target entity part of a group	Three respondents observe requesting a detailed group chart, especially for large groups, is excessive. They suggest that only the identification of the financial sector entities similar or identical to those of the target entity should be mentioned.	Article 3(1)(h) RTS is consistent with the current practice for the prudential assessment of qualifying holdings. Furthermore, it requires the information only "where available", which allows competent authorities and notifying entities to apply the requirement in a proportionate and reasonable manner. To enhance proportionality 'detailed' has been deleted.	Amendment to Article 3(1)(h) RTS
Article 3(1)(k): confirmation that the target, the members of the management body or the UBO are not subject to Union sanctions	Some respondents note that the confirmation that the target or its management/UBOs are not subject to EU restrictive measures may only be provided if public or pursuant to a declaration made by the seller but not verified by the proposed acquirer.	The EBA notes that restrictive measures under Union law (sanctions) are published in the OJEU and such verification should be part of any diligence process.	Drafting change
Article 3(1)(l) AML/CFT	Three respondents consider disproportionate and impractical the provision of individual, consolidated or sub-consolidated information on AML/CFT checks, including the history of sanctions or criminal convictions over the preceding ten years. This requirement assumes a level of insight into matters that may depend on future developments or information held by third parties. In addition, the same respondents argue that the lookback period for the information set out in Article 3(1)(l) and 21(1)(a) should be reduced from 10- to 5 years in line with Directive (EU) 2015/849, which requires obliged entities to retain AML/CFT-related documentation for at least five years.	For sake of clarity the drafting has been improved to clarify that where information and documents are not available, the proposed acquirer should explain the steps undertaken to search such information. Regarding the comment on the 10-year lookback period, the EBA notes that it is consistent with suitability assessment procedures. The proposed shorter 5-year lookback period is the retention period set out in Article 40 of Directive (EU) 2015/849 aimed at setting the obligation for obliged entities to retain documentation for AML/CFT monitoring and investigation purposes.	Drafting amended

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Article 3(2) -Miscellaneous on information on the proposed acquisition	One respondent suggests deleting some information since it is not related to prudential assessment. Notably, the criteria used for the determination of the purchase price and the description of the valuation methods, the valuation reports etc … as well as the internal approval documents.	The methodology for the determination of the purchase price and the description of the valuation methods and valuation report, where available, are relevant to the supervisor to better understand the business strategy underlying the acquisition and the impact on the financial projections. The submission of such information and of the internal approval documents is consistent with supervisory practice for acquisition of qualifying holdings.	No change
	Three respondents note that the information on the financing of the operation may not be available at the time of the notification and in general recommend restricting to essential, prudentially relevant information. Reference is made in particular to the provision of detailed terms of assets to be sold, debt structure, maturities, guarantees and hedging agreements which may not yet be finalised.	This information is prudentially relevant since it may impact the proposed acquirer's balance sheet. The notification has to be submitted prior to the completion of the transaction, when it is a 'proposed acquisition' but where the relevant terms of the acquisition have been agreed between the parties. Therefore, the referred information should already be known to the proposed acquirer. Recital (2) clarifies that the information has to be up-to-date, so where updated information is available it should be submitted to the competent authority.	No change
Article 3(4)(c) – Summary of the terms of the contract with prudential impact	Three respondents suggest deleting or clearly narrowing such information request, given that the prudential impact is already captured in the projections.	The EBA agrees that the main terms of the transaction are covered by the overall information requested for the notification and that this information may be duplicative.	Point (c) of Article 3(4) has been deleted
Article 3(5) – Summary notice	Three respondents challenge the requirement on the proposed acquirer to prepare the summary notice, and observe that the CRD puts the burden to	The EBA acknowledges that Article 27c (2) of the CRD assigns the responsibility for notifying another competent authority to the competent authority assessing the proposed acquisition or, where	Article 3(5) RTS has been deleted and replaced by the provision in Article 7(1) of the ITS

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	notify the other authority on the competent authority which has received the notification.	applicable, to the consolidating supervisor. Article 3(5) of the RTS has been removed and replaced by Article 7(1) of the ITS.	
Article 4 – financial information of the proposed acquirer	Three respondents consider the information requirements set out in Article 4 RTS excessive, in particular where the proposed acquirer is a credit institution. Furthermore, they oppose the requirement to provide “any other document registered with the registry.” Also notes that requiring security/guarantee information for large banks is unrealistic (Article 4(c)). Similarly, the provision of information on ‘any realised sale of assets and liabilities since the three financial years preceding the notification or expected to be executed prior to the proposed acquisition’ is considered disproportionate.	To soften the information requirements, the submission of the financial statements has been deleted since already in possession of the competent authority. The information on the security interests or guarantees, or on realised sale of assets etc... has been simplified and moved to the Article below, underscoring the rationale of capturing material changes to the balance sheet.	(Former) Article 4 has been deleted
Article 5 – Business plan and internal governance **Article 5(1)(b) material changes to the business model and risk profile**	Three respondents consider that the information requests in Article 5 (business plan and internal governance) and Article 6 (forecast financial and prudential information) are not aligned with Articles 8-10 RTS. In particular they criticise the request of submission of a business plan, arguing that it is not feasible where the control is not acquired. The same respondents suggest qualifying such request adding ‘if applicable’	The submission of a business plan and financial and prudential forecast is indispensable to enable the competent authority to assess the prudential impact of the material acquisition. To better mark proportionality, Articles 5 and 6 (now Articles 4 and 5) have been reorganised: Article 4 covers minority material acquisitions, Article 5 concerns material acquisitions providing the control of the target entity. In the first case the information requirements have been made more proportionate, importantly financial and prudential forecast information are required on a baseline scenario basis, unless size, complexity and risk profile of the proposed acquirer suggest that also the stress scenario should be provided.	Formed Article 5 and 6, current Articles 4 and 5, have been amended

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		With regard to point (b) of Article 5(1) (now Article 4(1), for sake of clarity 'where applicable' has been added.	
Articles 5(1)(f), 5(2) and 22 material changes to AML/CFT and internal governance	Two respondents oppose the request of such information, arguing that it goes beyond the level of detail currently provided at the notification stage and may delay the filing if the assessment period does not commence until such elements are fully developed. Many of these matters are typically refined between signing and closing and may evolve following supervisory feedback. Rather, they suggest that at the time of notification, a high-level description of the intended approach should be sufficient, with detailed implementation measures to be developed in the post-signing phase. This would ensure proportionality and avoid unnecessary delays in initiating the assessment process.	Suspicion and risk of money laundering and terrorism financing is one of the assessment criteria of the proposed acquisition of material holdings (Article 27b CRD), therefore relevant information is necessary to carry out the assessment. However, where the material acquisition does not provide the control of the target entity, the information requirement has been softened. With regard to Article 5(1)(f) (now 4(1)(k)) the EBA agrees with introducing additional proportionality and flexibility in case of minority acquisitions, requesting such information, where available and in the form of an outline of the envisaged changes. As to the information requirements relating to material changes to the internal governance set out in Article 5(2) (now 5(11)) RTS, it has been clarified that such paragraph only applies to material acquisitions providing the control of the target entity. Furthermore, the drafting already embeds proportionality, providing that the plan shall cover material changes 'to the extent possible' and reflecting information 'as available'	Article 5(1)(f) amended (now Article 4(1) Article 5(1)(f) (now 4(1)(k) amended Article 5(2) no change
Article 6 – Level of detail for the business plan and projections	One respondent argues that the level of detail in Article 6 RTS —including three-year forecasts, solvency and liquidity projections, and granular risk	The EBA notes that the regime on material acquisitions only applies to strategic cases where the materiality threshold is met, and which raise potential	Point (f) of Article 6(10), current Article 5(10), has been deleted

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Article 6(10), (f)	exposure information—is too extensive and not proportionate. They recommend adopting a principle-based approach, similar to the Banco de España Circular 5/2010, allowing flexibility. They also question the purpose of such requirement on a stress scenario basis, arguing that stress testing is normally part of separate supervisory processes, not of ad hoc transactions; the competent authority already assesses the institution's ongoing compliance through existing supervisory tools. They suggest that Article 6(10)(f) RTS should be deleted or clarified since the meaning of "additional quantitative measures… applicable to the proposed acquirer" is unclear.	prudential concerns for the proposed acquirer. This justifies the request of forecast financial and prudential information. The RTS embed flexibility and proportionality: minority material acquisitions are subject to less information requirements, and increased proportionality applies to intra-group acquisitions. In case of acquisitions providing the control of the target entity, the submission of forecast financial and prudential projections in base case and stress scenario basis, is Banco de Espana Circular applies to the assessment of proposed acquisitions of qualifying holdings. However, the EBA agrees that the information requested in point (f) of Article 6(10 of the RTS – now article 5(10) - may give rise to uncertainty and be duplicative. Therefore, it has been deleted.	
Article 6(1)(h) – IRB model change expectations	Article 6(1)(h) RTS requires business plans to reflect changes related to IRB models. One respondent notes that IRB model approval follows a separate process under CRR and in previous transactions were handled in parallel, not as part of the control assessment. They request clarification as to whether the RTS intends to align timelines or maintain separate processes.	The RTS does not intend to replace the approval process of IRB models set out in CRR; the RTS limits to request estimates on the application and prudential impact.	No change
Article 6(2) - Projections at all applicable prudential levels	Some respondents request explicit confirmation that separate projections at all prudential reporting levels are not necessary when consolidation perimeter differences are immaterial.	The EBA considers that the submission of prudential projections at all prudential reporting levels is necessary for a forward-looking assessment of the sound and prudent management. Where opportune, depending on a case-by-case situation,	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		proportionality may be exercised in the assessment of the proposed acquisition.	
Article 6(7), Article 10(e) and (g), Article 22(2)(b) - Integration of non-financial risk assessments	One respondent opposes the detailed assessment of financial and non-financial risks—including cyber, ESG, AML/TF, operational, and third-party risks, arguing that these requirements create operational challenges, require involvement of multiple specialised functions, and may not be material in all transactions. They request that only relevant risks should be required and that the RTS clarify the appropriate level of detail.	The review of the risk assessments is relevant for the forward-looking assessment of the sound and prudent management of the proposed acquirer. However, the EBA agrees to limiting this requirement to extra-group proposed material acquisition providing the control of the target entity.	No change
Article 7(1) Sharing of information in possession of other competent authorities, no submission	Some respondents argue that where the target is a EU credit institution, the information in possession of the target competent authority should not be requested, but should be obtained by the competent authority via cooperation under Article 117 CRD.	The EBA notes that where the information is already in possession of the competent authority (current Article 6(1)), the applicant is exempted from its submission. The EBA agrees on the need to foster cooperation between different competent authorities, however this needs to be balanced with procedural efficiency. To avoid multiplication of different documentation, the RTS makes sure that the information requirements relating to the target entity (Article 3) are the same required for the notification of proposed acquisition of qualifying holdings in credit institutions.	No change
Article 7(1), sub-paragraph 2, submission of declaration	Some respondents consider that the submission of a declaration stating that the information in possession of the competent authority and therefore not resubmitted is still true, accurate and up-to-date, is excessively burdensome for the	The RTS sets out an appropriate balance between the responsibilities of the proposed acquirer and those of the competent authority. While competent authorities are required to verify what information they already possess, only the proposed acquirer can	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	proposed acquirer which should check all filings made with the competent authority. Rather, it should be the competent authority to check whether the information elements set out in Articles 2-6 RTS are already in its possession. Alternatively, the declaration should state that 'this information has not undergone substantial changes'. One respondent asks what it means "up-to-date" information in Article 7 RTS, so that this requirement is applied proportionately and does not impose unnecessary burden.	confirm whether the information it relies upon remains correct and reflects its current situation. This avoids duplication while maintaining the robustness of the supervisory assessment. The suggestion to replace the requirement that information is "true, accurate and up to date" with a reference to the absence of "substantial changes" would introduce uncertainty since the notion of "substantial" change may lead to inconsistent interpretation. The wording "true, accurate and up to date" is standard in EU supervisory practice.	
Article 7(2) – Reduced information depending on the circumstances of the acquisition	Some respondents argue for the application of proportionality in situations where the ability to obtain the information depends on the cooperation of a party that is not willing to collaborate, such as in a hostile or unsolicited takeover. There should be an explicit exemption to recognize the significant practical limitations that proposed acquirers face in these specific situations, given that without cooperation from the target entity, it is not feasible to provide some of the key information required.	The situation described by respondents (i.e. hostile takeover) is already addressed in Article 7(2) RTS (current Article 6(2)). That provision explicitly recognises that, in certain circumstances of the acquisition, such as public offers or hostile acquisitions, the proposed acquirer may encounter difficulties in submitting a comprehensive notification and that a reduced set of information may be submitted which may be updated so long as the information becomes available.	Drafting of Article 6(2) clarified
Article 7(3) – proportionate information request for specific types of acquisitions	Some respondents suggest making the list exhaustive and deleting 'at least'. Furthermore, one respondent suggests clarifying that this paragraph applies also to transactions 'between entities that are permanently affiliated to a central body and supervised together as a group'. In addition, stakeholders observe that in cases where no assessment will take place, it is not clear	The EBA notes that the mandate concerns laying down a list of 'minimum' information and that Member States are empowered to publish the list of information. However, to provide more certainty 'at least' has been deleted throughout the RTS. The drafting of current Article 6(3) RTS has been amended and expanded in order to cover so all cases of intra-group acquisitions.	Current Article 6(3) amended

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	why a business plan should be required. A rationale for the operation should be sufficient. Another respondent welcomes that reduced information (Art. 7(3)) does not dilute scrutiny of governance and workforce impacts and calls for robust social dialogue.		
Article 8(2) – Information to be used for prudential assessment	One respondent highlights that Article 8(2)(a) RTS allows competent authorities to base assessments on ongoing AML/CFT investigations or proceedings. They argue that this is inappropriate because ongoing proceedings are provisional and subject to change, potentially leading to incomplete or misleading conclusions. Supervisory assessments should rely instead on concluded investigations or supervisory actions. Rather, competent authorities already possess reliable information through supervisory processes and formal exchanges. Therefore, reliance on informal or incomplete sources is unnecessary. They also question the necessity of Article 8(2)(d), which allows supervisors to use publicly available information or reports issued by international organisations or standard setters, noting that such information is often not sufficiently case-specific, and may lead to inconsistencies when weighed against concrete supervisory findings.	To carry out the assessment under Article 27b(1), point (b) CRD, competent authorities need to consider all relevant information available at the time of the assessment, including information relating to ongoing investigations or proceedings concerning potential material deficiencies or serious breaches of AML/CFT requirements. Publicly available information and reports issued by international organisations or standard-setting bodies may provide relevant contextual insights, particularly regarding AML/CFT risks in certain jurisdictions or sectors, and may complement information obtained through supervisory cooperation. To note that such scope is consistent with standard practice, eg Joint ESAs Guidelines on the prudential assessment of proposed acquisition of qualifying holdings[22]. However, the EBA acknowledges that given the variety of information sources, the wording needs to be adjusted. Therefore 'shall base its assessment' has been amended into 'shall take into account'.	Wording of (current) Article 7(2) amended

[22] See Section 5 of Annex I of Joint Guidelines on the prudential assessment of acquisitions and increases of qualifying holdings in the financial sector: https://www.esma.europa.eu/sites/default/files/library/jc_gl_2016_01_joint_guidelines_on_prudential_assessment_of_acquisitions_and_increases_of_qualifying_holdings_-_final.pdf?download=1

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Article 11 – Assessment of AML/CFT	One respondent advocates for seamless integration of AML/CFT assessment without added complexity, and draws the attention to avoid prudential supervisors imposing AML-related requirements via transaction approvals.	Former Article 11(5) RTS addresses the Level 1 requirement that the competent authority gives due consideration to the negative opinion provided by the AML/CFT supervisor, whilst the prudential supervisor retains the decision-making power on the proposed acquisition. For this purpose, consideration may be given to mitigation measures falling within the scope of the supervisory powers set out in Article 104(1) CRD. The consultation of AML/CFT supervisors and their power to issue a negative opinion are explicitly envisaged by CRD (Article 27b(2)-(3)). The RTS embeds this requirement and outlines the process for integrating AML/CFT supervisors' views in current Article 10. This approach ensures that AML/CFT considerations are fully embedded within the broader assessment framework without adding unnecessary complexity.	No change
Article 18(2)(b) - LEI	It is suggested deleting Article 18(2)(b), as it is already covered in Article 18(1) (the LEI is already requested by referring to Article 2).	Current Article 17(2) RTS concerns the entity being merged, whereas current Article 17(1) concerns the merging financial stakeholder	No change
Article 18(2)(e) information requirements about unregulated entities	One respondent considers that additional proportionality is needed on the information about unregulated entities and that it could be limited to the case that the person filing the notice is in possession of the information (e.g. Art 18(2)(e)). Another stakeholder, suggests amending the provision limiting the request of the group chart to	The information required in current Article 17(2) RTS is standard for mergers. Proportionality is embedded in the provision, e.g. the request of an 'overview' of the activities carried out by the group entities. Providing only a chart of the entities involved in the merger is insufficient as it does not capture the broader group structure, which is essential for	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	the entities involved in the merger. The same respondent suggests deleting Article 19(1)(b) RTS on ground that it is already covered by Article 18(2)(e),	assessing ownership, market power, financial stability, regulatory compliance, and potential risks. Indeed, current Articles 17(2)(d) and 18(1)(b) RTS require the provision of information regarding the group structure. However, Article 17(2)(d) focuses on the identification of the direct and indirect shareholders or members exercising control over the entity being merged. In contrast, Article 18(1)(b) seeks broader details about the merger and the entities involved, including information on changes to the group structures of the entities participating in the transaction.	No change
Article 21 – Reputation	One respondent notes that competent authorities already hold extensive suitability information on members of the management body of EU-regulated institutions who have already been assessed under the Joint ESMA–EBA Guidelines on suitability; and remain subject to ongoing suitability requirements. They argue that requiring institutions to resubmit detailed personal data, is unnecessary and burdensome and raises compliance issues with the GDPR, given the principle of data minimisation. They propose that authorities should instead verify suitability directly with the authority responsible for ongoing suitability supervision.	The reputation of the financial stakeholder carrying out the operation is one of the assessment criteria for mergers and divisions (Article 27j(a) CRD). To avoid duplication of burdens, the RTS limits to require a self-declaration that no event affecting the reputation has occurred since the last assessment, or where any event has occurred to specify it. In case any new member of the management body is appointed, the suitability assessment and therefore the submission of the relevant information will be carried out in the (usual) separate procedure. Therefore paragraph (2) of Article 21 (now 20) has been deleted. Along the same lines the reference to suitability assessment has been deleted from Article 25(3) of the RTS.	Paragraph (2) of former Article 21 (current Article 20) and paragraph (3) of Article 26 (current Article 25) have been deleted
Article 22 –planned changes to governance, internal control	One respondent notes that requiring fully developed integration measures at the notification	The EBA notes that some elements set out in current Article 21 are requested depending on the specific	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
functions, risk management, AML/CFT systems and third party arrangements	stage may go beyond current practice and could delay the filing, as these elements are typically further refined between signing and closing. A high-level description of the intended approach should therefore be sufficient at the time of notification, in line with the principle of proportionality.	cases. As to other elements, proportionality is often embedded in the requirement of 'description, 'outlines' etc …	
Question 3. Does Article 13 on process sufficiently encompass the different use-cases on material acquisitions?			
Article 13 – Process	Some respondents draw attention on the need for clarity as to pre-filing, and firm time limits instead of "reasonable time". They also ask that the acknowledgement of receipt include any additional information request to avoid duplicated rounds.	Given the complexity of the proposed operations and the circumstance of potential parallel procedures, pre-notification contacts may provide the opportunity of clarifications and speed up the submission of a complete notification. The EBA acknowledges the point of certainty of timelines and avoidance of delays, however considering the complexity and articulation of the material operations, some flexibility is appropriate and that encouragement of pre-notification contacts is aimed to speed up the overall process.	No change
	One respondent requests clarity on intragroup exemption under Art. 27a(7) CRD and to define the cases where the assessment is performed and to set a deadline for the authority to confirm that the assessment will not be carried out.	Article 27a(7) CRD provides competent authorities with discretion on whether not to assess proposed material acquisitions "conducted between entities of the same group referred to in Article 113(6) CRR or between entities within the same institutional protection scheme referred to in Article 113(7) of that Regulation". Rather than providing criteria for the exercise of the discretion, that may depend on a case by case basis, the RTS takes a twofold approach: a) lays down a streamlined list of information (Article 6(3)); b) requires competent authorities to communicate within a reasonable time and without	Article 12 amended. New paragraph (6) introduced

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		undue delay since the start of the assessment period whether it will not assess the proposed material acquisition (Article 12(6).	
	About mergers, the draft RTS do not provide sufficient clarity on the applicable timelines for mergers involving external / third parties. This creates legal and operational uncertainty for the institutions involved, and risks leading to lengthy supervisory processes that are incompatible with transaction planning, market expectations and legal certainty.	The EBA acknowledges the stakeholders request, however notes that laying down the process which is not envisaged in the Level 1 would go beyond the mandate.	No change
	One respondent asks for clarification or simplification of the regime in case of application of the sale of business tool in resolution.	The application of resolution tools is governed by Directive 2014/59/EU on Bank recovery and resolution.	No change
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?**			
Article 13 – Notifying entities	One respondent argues that the RTS goes beyond the CRD since the notification should only rest with the transferor; imposing duties on the transferee is duplicative and often immaterial for transferee.	The requirement to notify the competent authority of material transfers of assets and liabilities is imposed on any of the transferor or the transferee who meet the materiality threshold (Article 27f(1) CRD). Therefore, the RTS provisions directed at the	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		transferee do not exceed the mandate conferred on the EBA.	
Proportionality	Some respondents emphasise that material transfers are notification-only, not subject to assessment, so forward-looking projections should not be required; prudential concerns can be addressed via ongoing supervision. Similarly, it is argued that three-year forecasts/stress scenarios are disproportionate for a notification regime.	The requirements for the transferor and the transferee identify the information necessary to the competent authority to exercise its ongoing supervision where material transfers are carried out. Proportionality is embedded in the information requirements, e.g. information already in possession of the supervisory authority is exempted from submission; the RTS distinguishes between transferor and transferee, imposing more information requirements on the transferee, given the impact on prudential requirements and integration.	No change
Article 17 and Article 7(3)	Some respondents point to incoherence in Article 17 on proportionality and argue that Article 7(3) should apply *mutatis mutandis* to intra-group cases. They also suggest removing AML/CFT requests where irrelevant.	The EBA notes that proportionality for intragroup material transfer is embedded in the Level 1 sets out a higher materiality threshold for intra-group material transfers, compared that envisaged for extra-group transfers. However, the EBA agrees that for consistency with the other material operations, and taking into account that no assessment is envisaged by the CRD, streamlined information requirements have been laid down for the transferor. As to the transferee, information requirements about governance have been streamlined in line with Article 23(3) RTS applicable to intra-group mergers, considering the focus of the integration of the transferred assets and liabilities.	Current Article 16 amended Current Article 14 amended
	One respondent supports differentiating information between transferor and transferee. They recommend adding clearer documentation of	The suggestions provided by the respondent have been considered. However, in line with the mandate	

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	transaction economics, mapping operational and third-party dependencies, including AML/CFT and sanctions considerations, and maintaining a baseline of essential information while allowing proportionality for depth.	set out in Article 27b(7) of the CRD VI and the principle of proportionality, the information requirements should remain proportionate to the materiality of the transaction and should not add complexity or exceed the mandate conferred by the CRD.	No change
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 24 - Proportionality	One respondent welcomes the provision of proportionality criteria and requests clarification on their independent application. It also requests clarifying the scope of application of Article 24(3) RTS, including reference to 'financial stakeholder'.	The new regime on mergers applies to any merger, irrespective of the reach of a materiality threshold. To embed proportionality and avoid excessive burden, the RTS introduces flexibility by adapting the content of the notification and the related assessment to the size, complexity and risk profile of the involved financial stakeholders or to the circumstance that they belong to the same group or that the difference between the merging financial stakeholder and merged entity is material.	No change
		Current Article 23(3) applies a) to intra-group mergers, including between entities affiliated to a central body and supervised as a group, provided the prudential consolidation perimeter is not altered; b) to mergers where the ratio between the higher of the ratios of the purchase price or book value of the entity being merged and the total eligible capital of the merging financial stakeholder is lower than 15%. Where any of these conditions is met, paragraph (3) applies and the notification has to contain at least the information set out in points (a)–(d).	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		The term "financial stakeholder" is used consistently with the definition in Article 27i of the Directive.	No change
Article 24 – proportionality for intragroup mergers	Some respondents request the application of the simplified approach to same balance sheet consolidation even if not all entities are regulated.	The scope of application of the simplified approach for intragroup mergers is aligned with the Level 1. However, the RTS by significantly embedding proportionality streamlines the content of the notification and the related assessment, for intra-group or extra-group mergers.	No change
	Some respondents consider some information items unavailable, or over-prescriptive or non-prudentially relevant and suggest deleting the due diligence report and the communication plan. Another stakeholder criticises request of staffing/retention and commercial plans and asks to focus the merger business plan on key prudential metrics rather than granular synergies. One respondent finds the proportionality framework largely appropriate; emphasises supervisory focus on integration of controls, ICT/operational resilience, personnel resources and retention; warns against reliance on unrealistic workforce synergies and urges scrutiny of integration timelines.	The RTS embeds proportionality requiring comprehensive and detailed requirements for a subset of complex transactions which are outside the scope of current Article 23). The reference to the due diligence report, where available, has been maintained, as institutions are not expected to prepare such a report on an ad hoc basis, and it is useful to support the prudential assessment. The upfront request of a communication plan, a retention plan and a commercial plan has been revised to clarify that this information needs to be submitted depending on the complexity of the transaction. However, some revised information on impact on personnel has been included as this is key to assessing the robustness of the integration process and its implications for governance and risk management. Overall, the focus remains on information that is necessary to assess the viability of	Current Article 21 amended

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		the merged entity and the credibility of the integration.	
		Considering the difference between an acquisition, where the acquired entity remains separate from the acquirer, and the merger entailing the cessation of the entity being merged, a blanket extension of Article current Article 6(3) RTS to intragroup mergers would be inappropriate. Nonetheless, additional proportionality has been included - in line with Article 6(3) - to intragroup mergers, by removing the requirement to submit an adverse scenario under current Article 23(3). Such scenario may be requested depending on the complexity of the proposed operation. The expression 'at least' has been removed.	Current Article 23(3) amended
	Some respondents suggest applying Article 7(3) RTS *mutatis mutandis* for intragroup mergers and making the reduced list exhaustive by deleting 'at least'.	The calibration of proportionality in current Article 23(2) and (3) RTS weighs proportionality and the need for adequate scrutiny of merger operations. The threshold has been set having regard to small and non-complex credit institutions for internal consistency. Raising the threshold as suggested, would sound arbitrary, as not supported by general framework considerations and could lead to large or risk-relevant deals being assessed on too limited information basis.	No change
		Further reducing the set of information and mirroring IPS-specific simplifications for mergers would go	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
		beyond Level 1 which does not provide for any special treatment of IPSs (unlike the regime for material acquisitions).	
	Two respondents suggest raising the threshold, e.g. €1bn per entity; €15bn cumulative for IPS members. They also suggest expanding reduced information requirements and extending the simplification applicable to IPS in case of acquisition of material holdings also to mergers. One respondent agrees with the proportionality approach but proposes clearer, objective triggers for reduced-information cases, preservation of a minimum baseline dataset, explicit mapping of reduced information to reduced assessment intensity, and documented justification for proportionality decisions. This would reduce divergent supervisory interpretations.	The RTS sets out qualitative criteria (size, complexity, risk profile, type of transaction) to guide when reduced information is appropriate. A minimum baseline of information is also preserved in all cases	No change
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?			
Merger assessment	Two respondents consider the scope of business/implementation plan too extensive and burdensome relative to the benefit (both below and above Art. 24 thresholds). Clarification has also been asked on the supervisory assessment of the business model sustainability after the merger.	The business and implementation plan are key to the supervisory assessment of the sustainability of the business model and the integration of the entities involved. For business model sustainability, supervisors will review the credibility of the strategy and business plan, projected profitability and diversification, key assumptions (including synergies and integration costs), and consistency with risk appetite, governance and controls.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Pillar 2	Some respondents note that badwill, Pillar 2 requirements and systemic importance should only be part of ongoing supervision of the competent authority after the relevant transaction. Therefore, they ask the EBA to clarify that an assessment and/or the imposition of conditions in regards of badwill, Pillar 2 requirements and systemic importance will only take place in exceptional circumstances. Furthermore it notes that conditions to the decision clearing the transaction, so that prudential requirements can continue to be met after the transaction, may be only attached to an approval in the situation where, had there been no conditions, the competent authority would have had to reject the application (Atradius/Dutch Central Bank - ECLI:EU:C:2015:419). With regard to Pillar 2, one respondent requested additional clarity on the Pillar 2 measures that could be taken and upon which triggers.	Any change to the applicable P2R or P2G is outside the scope of the merger assessment and will be communicated following the outcome of the SREP assessment, or communicated via a separate capital decision, and then confirmed during the next post-merger SREP. The RTS requires however that the competent authority considers P2R and P2G, together with the evolution of the risk profile after the merger, as inputs to the forward-looking prudential assessment. This will avoid situations where compliance with prudential requirements is assessed based on incomplete or obsolete risk and capital considerations.	Drafting of current Article 26(9) clarified
Badwill	One respondent notes that that the draft RTS does not sufficiently clarify the legal basis, scope, or limits of the supervisory measures that may be imposed in such circumstances. In particular, it should be made clear that the mere existence of prudentially relevant badwill should not, in itself, justify the imposition of additional supervisory requirements beyond those already available under	Regarding badwill, the RTS do not create new supervisory powers or additional categories of requirements. References to badwill are intended to clarify the extent to which the prudential soundness of the merged entity and the credibility of its business plan rely on its recognition. In particular, badwill will be scrutinised during the assessment of the material transaction by the CA to avoid situations where compliance with prudential requirements would	Drafting of new Article 26(5) clarified. Drafting of new Article 9(4), covering badwill for material acquisitions, clarified along similar lines.

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	the existing supervisory framework, absent a clearly identified and transaction-specific risk.	depend on an uncertain or overly optimistic quantification.	
Systemic importance	Similarly, as regards systematicity they argue that such assessment should not be part of the transaction approval, and observe that it is not envisaged in the ESAs Joint GL on prudential assessment of acquisition of qualifying holdings.	With respect to systemic importance, the RTS requires the competent authority to coordinate with the macroprudential authority and consider the plausibility and timelines for changes – as these may impact future capital adequacy which is core to the forward-looking prudential assessment. However, the RTS do not require a decision on systemic importance nor envisage changes to systemic importance as part of the merger assessment.	Drafting of current Article 26(10) clarified
Question 7 **Do you think the draft RTS is sufficiently clear, comprehensive and suitable for each material operation / adequate for a smooth proceeding?**			
Reduced information requirements for intragroup divisions	Some respondents ask that Article 7(3) RTS also applies to intragroup divisions. Alternatively, one respondent suggests that simplified, standalone list should be laid down also to avoid complexity of cross-references. They argue that reliance solely on Article 24(1)–(4) for divisions creates disproportionate burden and inconsistency.	Current Article 6(3) does not apply, since the proportionate information requirements envisaged for mergers apply *mutatis mutandis* also to divisions. The application of such proportionality approach is consistent with the operation and with the overall approach.	No change
Clear timelines for non-intra-group mergers or divisions	Some respondents ask to confirm that the RTS explicitly confirm that the 60-working-day assessment period also applies to non-intragroup mergers/divisions. With regard to intragroup mergers, some respondents request the RTS to clarify the	Article 27i(4) of Directive 2013/13/EU explicitly limits the 60-working-day assessment period to operations involving financial stakeholders within the same group. Article 27i(2) CRD provides competent authorities with discretion not to assess proposed mergers captured by that provision. The RTS has a twofold approach: a) lays down proportionate and	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Intra-group mergers	grounds/criteria for the exercise of the assessment in case of intragroup mergers (subject to discretionary assessment), and that where no assessment is to be carried out (e.g., intragroup exemptions), authorities should provide confirmation within a short, defined timeline. They underscore that the current drafting creates legal uncertainty for external mergers.	streamlined information requirements for such cases; b) current Article 12 has been amended to require competent authorities to communicate within a reasonable time and without undue delay from the acknowledgement of receipt of a complete notification whether it will not assess the proposed merger.	Current Article 12 amended: new paragraph (6). Similarly Article 29 (on merger) has been completed
	One respondent requests to clearly indicate the merger intragroup exemption by using the wording of Article 27i (2) of CRD, i.e. "the competent authority shall not be required to carry out the assessment".	The EBA notes that RTSs cannot repeat the Level 1.	No change
Submission of a single notification in case of merger or division	Some respondents asked to clarify that only one notification should be filed in case of merger or division and requiring two notifications (one for each party) would be duplicative and is not supported by CRD VI. In the same vein they argue that information about the absorbed/disappearing entity is already included in the resulting entity's notification and should not requested.	For mergers, recital (17) of the RTS explicitly specifies that the merging financial stakeholder (i.e. the entity resulting from the proposed merger) is responsible for submitting a notification as outlined in Article 28(1). Similarly, for divisions, Article 31 states that the notification is to be submitted by the financial stakeholder being divided.	No change
	One respondent finds the RTS generally clear and structured but suggests improvements: mapping use-cases to process paths, structured management of information gaps, stronger documentation standards, and explicit consideration of operational	The EBA acknowledges the importance of clarity, and operational feasibility in the assessment process. Current Article 26 explicitly addresses the credibility of the implementation plan, covering ICT systems, outsourcing arrangements, and business continuity planning. Adding specific mapping of information gaps	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
	feasibility (ICT, outsourcing, continuity planning). These refinements would enhance predictability and reduce uneven application.	and documentation standards would increase complexity without enhancing clarity. The RTS already offers a structured framework that supports consistent and predictable assessments.	
Question 8. Do you agree with the information requested in case of a merger or division requiring the authorization of a credit institution via the amendment to Commission Delegated Regulation (EU) No 2022/2580 under Article 35?			
	One respondent objects to the introduction of proposed Article 9a in Commission Delegated Regulation 2022/2580 on information for authorisation as credit institution), arguing that it reintroduces merger assessment despite CRD Art. 27i(3) exclusion and requests its deletion. Other respondents support amending Commission Delegated Regulation 2022/2580 to ensure consistent information framework for mergers/divisions.	The EBA acknowledges that Article 27i(3) CRD excludes the assessment of mergers or divisions under Article 27j where the operation requires authorisation in accordance with Article 8. Nonetheless, CRD still requires a notification of the proposed operation. The RTS streamlines this process by setting the notification requirements through the amendment of Delegated Regulation 2022/2580. The proposed amendment reduces administrative burden by ensuring the required information is proportionate and supportive of the authorisation process under Article 8.	No change
Question 9. Do you think the draft RTS is sufficiently clear, comprehensive and suitable for each material operation / adequate for a smooth proceeding?			
Additional details	One respondent agrees that the RTS is solid but recommends clearer mapping of transaction types to process paths, better handling of incomplete or third-country-dependent information, stronger documentation standards for key judgments, and explicit consideration of operational feasibility. These changes would ensure reliability for complex or mixed operations.	The RTS covers the material operations for which mandate has been given to the EBA by the level 1. It balances information requirements and proportionality. Adding further requirements would increase the burden for applicant and complexity in general.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Table for use cases	One respondent suggests the inclusion of an annex table clarifying concrete cases where a notification is required or an authorization (both for Articles 27(7) and 23(6) of Directive2013/36/EU).	The mandate set out in Article 27b(7) CRD does not cover such table.	No change
	One respondent suggests that the draft RTS should also clarify, for each type of transaction, which category of entity is concerned (credit institution, finance company, etc.) (Consultation question 8 refers to credit institution).	Obligations set out in Articles 27a, 27f, 27h CRD apply to credit institutions or (mixed) financial holding companies under the Capital Requirements Directive (CRD) where the relevant circumstances of each operation are met.	No change
Question 10. ITS -- 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?			
Deadlines for consultation between requesting and requested authorities	Article 6(3) ITS, "Procedure for consultation" is drafted in very general terms, merely requiring that: "[…] the requested authority shall communicate with the requesting authority in a timely manner […] The requesting authority shall in turn respond promptly […]". It could be useful to provide for response timelines on the part of Authority. Introducing a deadline, applicable to the interactions between authorities, could be helpful to include indicative timeframes or reference time thresholds, in order to enhance predictability and provide operational guidance.	The EBA agrees on setting deadlines for the consultation process in order to ensure swift processes. Such deadlines have been introduced in Articles 3(1) and (2) and Article 5(2) ITS. They are the same of those set out in Commission Implementing Regulation (EU) 2017/461 on common procedures, forms and templates for the consultation process between the relevant competent authorities for proposed acquisitions of qualifying holdings in credit institutions as referred to in Article 24 of Directive 2013/36/EU.	Articles 3(1), (2) and 5(2) of the ITS have been amended
	Some respondents suggest introducing an escalation mechanism (one respondent to the EBA, the other to the ECB) when cooperation difficulties	Article 6(4) of the ITS requires the consulting authorities to engage with each other where divergences arise, communicate the reasons for their	

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Escalation mechanism in case of cooperation difficulties	cannot be resolved. However, they point out that it should remain exceptional and should not be triggered because of certain information becoming available at a later stage of the transaction. The draft RTS and ITS should make clear that the normal, phased provision of information does not constitute a failure of cooperation between authorities.	differing views and cooperate with a view to resolving any difficulties and reaching a coordinated position. In light of this cooperation framework, the ITS does not provide for the introduction of a formal escalation mechanism.	No change
	One respondent supports the proposed steps and timeline but proposes clarifying milestones, minimum content for consultation requests, fallback rules for non-responsiveness, and documentation standards. They stress the need for proportionality based on complexity and explicit criteria for adjusting consultation intensity.	The minimum amount of information needed to be provided between competent supervisory authorities in the consultation process is set out in Annex I.	No change
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 smooth proceeding?			
Scope of application of Chapters 2 and 3	One respondent asks why ITS Chapters 2–3 apply only to material acquisitions and not to mergers/divisions and seeks broader applicability.	Chapters 2 and 3 of the ITS directly refer to Article 27c CRD, which governs the consultation process between competent authorities in the context of material acquisitions. These provisions address the coordination of consultations where institutions are subject to consolidated or sub-consolidated supervision. The provisions of the CRD concerning mergers and divisions establish a separate legal framework and do not refer to the consultation process set out in Article 27c CRD.	No change

Comments	Summary of responses received	EBA analysis	Amendments to the proposals
Avoid overly burdensome process	One respondent reiterates call to avoid overly burdensome processes that hinder cross-border consolidation and realisation of synergies.	In accordance with Article 27c(5) first sub-paragraph of the CRD, the EBA has been mandated to develop ITS to facilitate the consultation process between the competent authorities involved in the assessment. The procedures set out in Chapters 2 and 3 aim to support efficient communication and coordination between the authorities participating in the assessment process. At the same time, they are intended to provide greater clarity and predictability regarding the consultation process for the authorities involved.	No change
Additional details	One respondent finds the processes broadly clear but suggests adding scenario maps linking acquisition types to process steps, improving handling of incomplete information, strengthening documentation of key determinations (materiality, badwill, Pillar 2, systemic importance), and integrating operational feasibility assessments. These enhancements would improve consistency in complex or cross-border cases.	Annex I and Annex II to the ITS provide templates supporting the exchange of relevant information between the competent authorities involved in the consolation process. Introducing more detailed scenario mapping or additional operational guidance in the ITS goes beyond the mandate set out in the CRD.	No change