

EBA/ITS/2024/08

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Final Report

Final Draft Implementing Technical Standards

amending Commission Implementing Regulation (EU) 2021/2284
with regard to the reporting of information on certain K-factor
requirements

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1. Executive Summary

These Final draft Implementing Technical Standards (ITS) amend Commission Implementing Regulation (EU) 2021/2284 as regards supervisory reporting and disclosures of investment firms under Regulation (EU) No 2019/2033 of the European Parliament and of the Council.

On 19 June 2024, the Capital Requirements Regulation (CRR 3) and the Capital Requirements Directive (CRD VI) were published in the Official Journal of the European Union, to implement the Basel Committee on Banking Supervision (BCBS)'s December 2017 Basel III post-crisis regulatory reforms, while considering the specific aspects of the EU's banking sector. As a consequence of this new legislative process, the Commission Implementing Regulation (EU) 2021/451 on supervisory reporting has been amended. The ITS on supervisory reporting and disclosures for Investment firms is closely interlinked with the ITS on supervisory reporting for credit institutions, as in some cases, investment firms can make use of the provisions of the CRR.

The EBA reporting framework, specified in binding technical standards, is uniform and directly applicable ensuring maximum harmonisation, level playing field for institutions and comparability of data. The ITS on supervisory reporting needs to be updated whenever the underlying legal requirements change, or it is necessary to improve the supervisors' ability to monitor and assess institutions.

Minor changes to the ITS on investment firms reporting, were required to be made to reflect the CRR3 reforms introduced in the ITS on supervisory reporting of credit institutions, as well as in order to include minor technical amendments.

In respect of the draft ITS endorsed by the Commission with Implementing Regulation (EU) No 2024/XXX, the EBA has conducted open public consultations, analysed the potential related costs and benefits and requested the opinion of the Banking Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1093/2010. However, in respect of the current draft ITS, given that the amendments they contain do not involve significant changes in substantive terms, pursuant to the second subparagraph of Article 15(1) of Regulation (EU) No 1093/2010, the EBA has not conducted an open public consultation, considering that it would be disproportionate in relation to the scope and impact of the draft ITS concerned.

These amendments are expected to be applicable from 1st January 2025.

2. Background and rationale

1. Article 54 of Regulation (EU) 2019/2033¹ (IFR) provides a mandate to the EBA to develop a regulatory reporting framework for investment firms, covering different areas. The EBA has developed adequate ITS attending to the specific business of investment firms and following the principle of proportionality, which were published as Regulation (EU) 2021/2284² ('ITS on investment firms reporting and disclosures'). Investment firms have been reporting information on the basis of that Regulation since 2022.
2. The IFR provides for certain cases where investment firms have to, or can opt to, apply the rules established for credit institutions (i.e. Regulation (EU) No 575/2013, 'CRR'), instead of those established by the IFR, to determine the own funds requirements for certain risks. Most notably, those comprise the following cases:
 - Investment firms that determine the RtM K-factor requirement on the basis of K-NPR apply Title IV of Part Three, of the CRR (market risk) as per Article 22 IFR.
 - Investment firms may opt to apply Title II, Part Three of the CRR for capitalising counterparty credit risks (CCR), as per Article 25(4) IFR.
 - Investment firms may opt to apply, Title VI of Part Three s of the CRR for capitalising their credit valuation adjustment risk (CVA), as per Article 25(5) IFR.
3. In accordance with the regulatory framework, the ITS on investment firms reporting and disclosures foresees that investment firms report the same information – as set out in the COREP templates – as credit institutions in those cases. Formally, the alignment with the reporting by credit institutions was achieved by adding cross-references to the applicable ITS on Supervisory reporting by credit institutions.
4. On 19 June 2024, Regulation (EU) 2024/1623³ ('the CRR 3') was published in the Official Journal of the European Union. The CRR3 introduced, among others, a new framework for the determination of own funds requirement for CVA risk, and some amendments to the determination of own funds requirements for market risk by credit institutions, and an output floor. The EBA revised the ITS on Supervisory Reporting to reflect the changes introduced by the CRR⁴.

¹ [Regulation - 2019/2033 - EN - IFR - EUR-Lex \(europa.eu\)](#)

² [Implementing regulation - 2021/2284 - EN - EUR-Lex \(europa.eu\)](#)

³ [Regulation - EU - 2024/1623 - EN - EUR-Lex \(europa.eu\)](#)

⁴ [Implementing Technical Standards on supervisory reporting changes related to CRR3/CRD6 in step 1 | European Banking Authority \(europa.eu\)](#)

5. Against the background of the change in the framework applicable to credit institutions, and because of the formal links between the two ITS on reporting, the ITS on investment firms reporting and disclosures needs to be updated. The updates are explained in more detail further below.
6. These revised reporting requirements are expected to be applicable from 1st January 2025.

Reporting on the RtM K-factor requirement determined on the basis of K-NPR (market risks)

7. In accordance with Article 22 IFR, Class 2 investment firms can use one of the following methods for the calculation of K-NPR: the Standardised Approach (SA), the Alternative SA (ASA) and the alternative internal model approach (AIMA), set out in more detail in Part Three, Title IV of the CRR. The ASA and AIMA are part of the revised market risk framework, known as Fundamental Review of the Trading book (FRTB).
8. Article 57(2) IFR includes a transitional provision that stipulates that investment firms are not required (and cannot) to apply the FRTB approaches until the later of 26 June 2026 or the date of application of the FRTB approaches by credit institutions. The same article clarifies that investment firms keep applying Part Three, Title IV, of the CRR, as amended by Regulation (EU) 2019/630 – i.e. effectively the market risk framework that was applicable to credit institutions before the CRR3 entered into force ('CRR2 market risk framework').
9. Given that the framework for calculating K-NPR is entirely built on the provisions of the CRR, Class 2 investment firms have been reporting details on the own funds requirements (K_NPR) in the same templates for the standardised and internal model approaches as for credit institutions (COREP templates C 18.00 – C 24.00) so far.
10. The CRR3 introduced amendments on the market risk framework, that entailed also updates to those COREP templates. However, those updates should not apply to the reporting by investment firms, given the static reference to the CRR2 market risk framework in Article 57(2) IFR. As a result, Article 5(2) of the ITS on investment firms reporting and disclosures needs to be revised to sever the links to the ITS on Supervisory Reporting. This update does not entail any substantive change to the reporting by investment firms, i.e. the update is needed for formal reasons to 'freeze' the previously already applicable reporting requirements.

Counterparty credit risk and CVA

11. Where investment firms make use of the derogation to apply the CRR framework in parts or in its entirety to the applicable exposures to determine K-TCD in accordance with Article 25(4) and (5) IFR, they are asked to report only high-level information in template IF 06.11, but have to provide additional details in templates taken from the framework applicable to credit institutions, namely COREP templates C 34.02 (CCR component) and C 25.00 (CVA component, where applicable). The requirement to report these templates is defined by virtue of a cross-reference to the ITS on reporting under the CRR.

12. In contrast to the area of market risk described in the previous section, the CCR and CVA rules applicable to credit institutions and Class 2 investment firms that opt to apply those rules are fully aligned. Thus, ITS on investment firms reporting can continue to cross-refer to the ITS on Supervisory Reporting, to keep the reporting requirements fully aligned as well.
13. In response to the CRR3, template C 34.02 was updated to include information on the impact of the output floor.
14. However, investment firms do not have to comply with the output floor requirements, and thus should also not report this information. This is made explicit through a minor amendment to Article 5(3) of the ITS on investment firms reporting and disclosures. In sum, and despite the update of the design of the template, the information to be reported by Class 2 investment firms that opt to apply the CCR provisions of the CRR in template C 34.02 remains unchanged in substance.
15. The CRR3 introduces a completely new framework for the capitalisation of CVA risks. It sets out three new approaches (simplified, basic, standardised) that credit institutions should use to calculate their own funds requirements for CVA risk, as well as the conditions for using a combination of those approaches.
16. In response to the CRR3, the reporting requirements on CVA risk have been amended to reflect the three new approaches and to capture some specific aspects of the capitalisation of CVA risks (please refer to the Implementing Technical Standards on supervisory reporting changes related to CRR3/CRD6⁵ in step 1 for further details). In that context, the reporting templates were renumbered from C 25.00 to C 25.01.
17. Due to the amendments introduced, and because the cross-reference to the ITS on Supervisory Reporting is based on the template number, Article 5(4) of the ITS on investment firms reporting, and disclosures needs to be updated.
18. This update impact Class 2 investment firms that opted to apply the CRR-approaches for the purposes of determining the CVA risk component of K-TCD according to Article 25(5) IFR.
19. The EBA had already conducted an open public consultation on the changes to template C 25.01. Against this background and considering both that Class 2 investment firms actively opt to apply the CRR framework for CVA and that the reporting requirements established by the update to the ITS on Investment Firms Reporting as regards the CVA reporting is fully aligned with those already consulted on, the EBA considers it would be disproportionate in relation to the scope and impact of the draft ITS concerned to consult again.

Technical amendments

⁵ [Implementing Technical Standards on supervisory reporting changes related to CRR3/CRD6 in step 1 | European Banking Authority \(europa.eu\)](#)

20. Minor updates unrelated to the CRR3 changes (mainly removal of Croatian Kuna and Croatia from currency and country breakdowns that include an entry for the Euro and the Euro Area) have been incorporated into the instructions.
21. In addition, Article 8 of the ITS on investment firms reporting and disclosures was updated to relax the minimum precision requirements for the reporting.

3. Draft implementing technical standards

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

of XXX

amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/2284 as regards supervisory reporting and disclosures of investment firms

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

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

Having regard to Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements for investment firms and amending

Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014⁶, and in particular Article 54(3) thereof,

Whereas:

- (1) Implementing Regulation (EU) 2021/2284⁷ introduced the regulatory reporting framework for the prudential regime of investment firms under Regulation (EU) 2019/2033. Article 5 of Regulation (EU) 2021/2284 on the format and frequency of reporting by investment firms other than small and non-interconnected investment firms, cross refers Implementing Regulation (EU) 2021/451.
- (2) The changes brought by Regulation (EU) 2024/1623⁸ to Regulation (EU) No 575/2013⁹, called for a revision of the reporting framework as set out in the Implementing Regulation (EU) 2021/451, which has been repealed by Implementing Regulation (EU) 2024/XXX.
- (3) Some of those revisions should be reflected in the reporting requirements applicable to investment firms, while others have to be prevented. More specifically, the reporting on counterparty credit and credit valuation risks should be the same for investment firms that choose to apply the relevant provisions of Regulation (EU) No 575/2013 and credit institutions, while the reporting on own funds requirements for market risks, respectively K-NPR, should differ between credit institutions and investment firms.
- (4) To ensure coherence between the credit institutions reporting framework and the investment firms reporting framework, where the regulatory framework applied is the same, and ensure independence, where the regulatory framework applicable to investment firms and credit institutions is different, Article 5 of Regulation (EU) 2021/2284 should be amended.
- (5) In order to facilitate the compliance with the reporting requirements, the minimum precision requirements established in Article 8 of Regulation (EU) 2021/2284 should be adjusted.
- (6) The European Banking Authority (EBA) has conducted open public consultations on the draft implementing technical standards of Regulation (EU) 2024/XXX.
- (7) Given that the amendments to Implementing Regulation (EU) No 2021/2284 are based on Regulation (EU) 2024/XXX and do not involve significant

⁶ OJ L 314, 5.12.2019, p. 1, ELI: [EUR-Lex - 02019R2033-20191205 - EN - EUR-Lex \(europa.eu\)](http://eur-lex.europa.eu/eli/reg/2019/1205/oj)

⁷ Commission Implementing Regulation (EU) 2021/2284 of 10 December 2021 laying down implementing technical standards for the application of Regulation (EU) 2019/2033 of the European Parliament and of the Council with regard to supervisory reporting and disclosures of investment firms, OJ L 458, 22.12.2021, p. 48, ELI: <http://data.europa.eu/eli/reg/impl/2021/2284/oj>.

⁸ Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor OJ L, 19.6.2024, ELI: <http://data.europa.eu/eli/reg/2024/1623/oj>.

⁹ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, OJ L 176, 27/06/2013, p. 1, ELI: <http://data.europa.eu/eli/reg/2013/575/oj>.

changes in substantive terms, in accordance with Article 15(1), second subparagraph, of Regulation (EU) No 1093/2010, the EBA has not conducted open public consultations, considering that it would be disproportionate in relation to the scope and impact of the draft implementing technical standards concerned.

- (8) Implementing Regulation (EU) 2021/2284 should therefore be amended accordingly.
- (9) This Regulation is based on the draft implementing technical standards submitted to the Commission by the EBA,

HAS ADOPTED THIS REGULATION:

Article 1

Implementing Regulation (EU) 2021/2284 is amended as follows:

- (1) Article 5 is amended as follows:
 - (a) paragraph 2 is replaced by the following:

‘Investment firms other than small and non-interconnected investment firms that determine the RtM K-factor requirement on the basis of K-NPR in accordance with Article 21(1) of Regulation (EU) 2019/2033 shall report with a quarterly frequency, the information specified in templates C 18.00 to C 24.00 of Annex X to this Regulation in accordance with the instructions set out in Annex XI to this Regulation’;
 - (b) paragraph 3 is replaced by the following:

‘Investment firms other than small and non-interconnected investment firms that make use of the derogation laid down in Article 25(4) of Regulation (EU) 2019/2033 shall report with a quarterly frequency, the information specified in template C 34.02 of Annex I to Regulation (EU) 2024/XXX, with the exception of the information on the output floor, in accordance with the relevant instructions.’
 - (c) paragraph 4 is replaced by the following:

‘Investment firms other than small and non-interconnected investment firms that make use of the derogation laid down in Article 25(5), second subparagraph, of Regulation (EU) 2019/2033 shall report with a quarterly frequency, the information specified in template C 25.01 of Annex I to Regulation (EU) 2024/XXX in accordance with the relevant instructions.’
- (2) in Article 8, paragraph 1, point (b)(i) is replaced by the following:

‘data points with the data type ‘Monetary’ shall be reported using a minimum precision equivalent to ten thousands of units’;
- (3) The text in Annex I to this Regulation is added as Annex X.
- (4) The text in Annex II to this Regulation is added as Annex XI.

Article 2

By derogation from Article 2 of Regulation 2021/2284, investment firms other than small and non-connected investment firms shall submit the information set out in template C 25.01 of Annex I to

Regulation (EU) 2024/XXX for any reference dates between January and April 2025 by 30 June 2025 at the latest.

Article 3

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

It shall apply from 1st January 2025.

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

Annex X

ANNEX II

Annex XI