Verband der Auslandsbanken in Deutschland e.V.
Association of Foreign Banks in Germany

Statement

of the Association of Foreign Banks in Germany (VAB)

with reference to the Consultation Paper on the Draft Regulatory Technical Standards specifying the minimum list of information to be provided to the competent authorities at the time of the notification under Article 23(6) of Directive 2013/36/EU

(EBA/CP/2025/08)

With reference to the Consultation Paper on the Draft RTS specifying the minimum list of information to be provided to the competent authorities at the time of the notification under Article 23(6) of Directive 2013/36/EU of 18 June 2025, the Association of Foreign Banks in Germany (VAB) submits the following statement.

Consultation question n. 1

Do you agree with the information request laid down in Article 1 and with the granularity envisaged for the information to be provided by proposed acquirers that are trusts, AIF or UCITS management companies or sovereign wealth funds?

Answer:

Regarding the current drafts implementing Article 23(6) CRD VI (Directive (EU) 2024/1619), it should be noted that the Directive itself merely mandates the EBA to define a minimum list of information to be submitted in notifications of proposed acquisitions. The legislator has deliberately set only a framework at Level 1, leaving the detailed requirements to Level 2 measures.

The assessment criteria laid down in Article 23(1) CRD VI remain essentially unchanged: the reputation of the acquirer, the suitability of future managers, financial soundness, the target institution's ability to continue complying with prudential requirements, and risks related to money laundering and terrorist financing. However, these criteria do not prescribe any specific data fields.

Against this backdrop, the detailed requirements in the draft RTS amount to an extension of disclosure obligations. These include, inter alia, disclosure of all places of residence of natural persons during the last ten years, detailed CVs including IT, cybersecurity and DLT/crypto experience, submission of full internal AML/CFT policies by legal persons, and disclosure of all trustees, settlors and beneficiaries in the case of trusts.

For our member institutions, this represents a significant extension of disclosure requirements that goes well beyond the mandate of CRD VI. In particular, internationally active banking groups would face a disproportionate burden. Collecting such sensitive and in some cases hardly accessible information entails considerable operational effort.

In summary, the RTS draft goes beyond the scope of the statutory assessment criteria. It imposes disproportionate obligations and creates significant additional burden for institutions. We therefore recommend strictly limiting the requirements to the five criteria under Article 23 CRD VI and ensuring consistent application of the principle of proportionality.

Consultation question n. 2
Regarding the information for the assessment of the sound and prudent management of the target institution, do you agree with the proportionate approach set out in Articles 8, 9 and 10 that reflect the envisaged influence that will be exercised by the proposed acquirer on the target institution?

Answer:
We generally welcome the approach of differentiating the information requirements according to the influence of the acquirer. This principle of gradation reflects the idea of proportionality and is meaningful from the perspective of our member institutions. However, the obligations set out in Articles 8, 9 and 10 of the draft RTS go beyond the legal mandate.

For holdings up to 20%, Article 23 CRD VI only requires the assessment of the acquirer's reputation, financial soundness, compliance with prudential requirements and potential ML/TF risks. The draft RTS, however, requires additional information such as disclosure of the investment strategy (strategic vs. portfolio), intended holding period, future intentions and a declaration of willingness to provide further capital support. For international minority or portfolio investors, this implies a disproportionate burden, as they would be required to provide commitments not foreseen by CRD VI.

For holdings between 20% and 50%, CRD VI does not mandate disclosure of medium- or long-term business objectives, dividend expectations or resource reallocations. The RTS draft, however, requires detailed information on dividend policy, strategic development, resource allocation and mid-term financial metrics (e.g. ROE, cost-income ratio, EPS). This effectively turns the notification process into a business planning review and exceeds the scope of the Level 1 text.

The deviation is even clearer for holdings above 50% or acquisitions of control. While Article 23 CRD VI only requires ensuring the acquirer's financial soundness and the target's ability to continue meeting prudential requirements, the draft RTS obliges acquirers to submit a full three-year business plan. This must include baseline and stress scenarios, projections for all CRR metrics (capital ratios, LCR, NSFR, leverage ratio, large exposures), and cover governance, IT architecture, outsourcing and ESG aspects.

Overall, CRD VI obliges the acquirer to provide only the minimum information necessary to assess the five criteria in Article 23. Articles 8 to 10 of the draft RTS, however, introduce additional reporting obligations without explicit basis in primary law. For institutions, this means disproportionate burdens even for minority acquisitions, duplicative reporting of already supervised matters, and disclosure of confidential business and planning documents going beyond the statutory requirements.

Consultation question n. 3
a) Do you agree with the proportionate approach set out in Article 11, relating to the submission of reduced information where the proposed acquirer has already been assessed for the acquisition of qualifying holdings or is a supervised entity under Union financial sector law?

Answer:
Yes, we welcome this approach. Article 23(6) CRD VI obliges the EBA to set a minimum list of information but does not provide for any simplifications in case of repeated notifications. The exemptions introduced in Article 11 RTS thus go beyond the wording of CRD VI but are appropriate and reasonable. They prevent duplicate submissions, reduce bureaucracy and facilitate handling, particularly for international banking groups that are already subject to EU supervision.

b) With regard to the exemption under paragraph (2), second subparagraph, do you agree with limiting the exemption to proposed acquirers that are significant institutions, or should it also cover proposed acquirers that are less significant institutions?

Answer:
The limitation to significant institutions is too narrow. Less significant institutions are also subject to full ongoing supervision and have already submitted their data to the competent authority. We see no substantive justification why these institutions should not equally benefit from the exemptions. For international groups with smaller EU subsidiaries, extending the scope to LSIs would provide meaningful relief.

c) With regard to the exemption under paragraph (3), second subparagraph, do you agree with limiting the exemption to targets that are significant institutions or should it also cover targets that are less significant institutions?

Answer:
Here too, we consider it necessary to extend the scope to all institutions. Both significant and less significant target institutions are already regulated and supervised under CRD/CRR. Differentiation would unduly disadvantage smaller institutions without any basis in CRD VI. For international banking groups with holdings in smaller subsidiaries or specialised institutions, the proposed restriction would create unnecessary burdens.

Overall assessment:
Article 11 RTS is a step in the right direction as it introduces genuine proportionality. However, the scope of exemptions should not be limited to significant institutions but also cover less significant institutions and their acquirers. This would reduce bureaucracy without impairing supervisory effectiveness.

Consultation question n. 4
Do you agree with the simplification in the case of complex acquisition structures described in Article 12?

Answer:

We explicitly welcome the simplification foreseen in Article 12 for complex acquisition structures. While Article 23(6) CRD VI only prescribes a minimum list of information, the draft RTS makes a meaningful step towards greater proportionality in this regard.

Consultation question n. 5
Do you find the provisions of this draft Regulation sufficiently clear and comprehensive?

Answer:
We acknowledge that Article 23(6) CRD VI mandates the EBA to define a minimum list of information for acquisition notifications. However, the requirements set out in Article 1 of the draft RTS go far beyond this framework and impose disproportionate burdens, in particular on internationally active banking groups.

CRD VI requires assessment only of five criteria: reputation, suitability of management, financial soundness, compliance with prudential requirements, and risks of money laundering and terrorist financing. The draft RTS, however, requires additional disclosures on places of residence, CVs including IT/crypto expertise, AML/CFT policies, trust structures, fund strategies and sovereign wealth funds. This creates excessive information burdens without basis in the Directive.

Positively, Articles 8 to 10 introduce a tiered system of information requirements. However, these obligations also go beyond the mandate of CRD VI.

Regarding Article 11, we welcome the proposed exemptions, which prevent duplicate submissions and reduce bureaucracy. However, these should not be limited to significant institutions. Less significant institutions and smaller target institutions are equally supervised and should also benefit.

We also welcome the simplification for complex structures introduced in Article 12. This facilitates the handling of group and fund structures but does not go far enough. Other intermediate entities, such as SPVs without decision-making powers, should also be included.

Overall assessment:
The draft is clearly drafted, but in substance partly exceeds the statutory scope of assessment. For institutions, this means additional burdens and legal uncertainty. We recommend aligning the RTS more closely with the assessment criteria in Article 23 CRD VI, applying proportionality consistently to all institutions and intermediate entities, and avoiding duplicate reporting by referencing existing processes (ICAAP/ILAAP, recovery planning, DORA, AMLD). Only this will ensure a practical and proportionate implementation.