

## **Chapter 7**

# **Commission Implementing Regulation (EU) 2016/911**

Preamble

THE EUROPEAN COMMISSION,

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

Having regard to Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, and in particular Article 26(2) thereof,

01/01/2021

Whereas:

(1) Chapter III - Title II of Directive 2014/59/EU sets rules for group financial support agreements to provide financial support among a Union parent institution, or an entity referred to in point (b), (c) or (d) of Article 1(1) of Directive 2014/59/EU and its subsidiaries in other Member States or third countries that are institutions or financial institutions covered by the consolidated supervision of the parent undertaking, provided that the entity receiving the support meets the conditions for early intervention. This allows transfers of funding in a situation where a group entity is in severe distress. To make informed investment decisions, creditors and investors need transparency regarding risks and potential obligations resulting from these agreements and the chances of a recovery of the group resulting from the support agreement. Therefore the agreement should be in a form easily accessible to the public, comparable to financial statements.

(2) The general terms of the group financial support agreement to be disclosed should include relevant information, such as the maximum amount of support, the principles for calculation of the consideration for the provision of the support, a general description of the maturity profile and the maximum term of loans provided as support. However, the disclosure should respect the need for confidentiality of more specific information.

(3) This Regulation is based on the draft implementing technical standards submitted by the European Banking Authority to the Commission.

(4) 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 opinion of the Banking Stakeholder

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Group established in accordance with Article 37 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council,

HAS ADOPTED THIS REGULATION: