

COMMISSION DELEGATED REGULATION (EU) 2023/1118**of 12 January 2023****supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council with regard to regulatory technical standards specifying the conditions under which colleges of supervisors exercise their tasks****(Text with EEA relevance)**

THE EUROPEAN COMMISSION,

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

Having regard to Directive (EU) 2019/2034 of 27 November 2019 of the European Parliament and of the Council on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU ⁽¹⁾, and in particular Article 48(8) thereof,

Whereas:

- (1) In order to establish the colleges of supervisors and to identify college members and potential observers, it is necessary to map investment firm groups. The purpose of such mapping is to identify the group entities or branches in the Union or a third country and to describe for each group entity its nature, location, the authorities involved in its supervision, the applicable prudential exemptions, its importance for the group and its importance for the country in which it is authorised or established.
- (2) To ensure a coherent application of Article 48 of Directive (EU) 2019/2034 across the Union and thus fair conditions of competition, it is important to promote convergence in the practices of group supervisors regarding the establishment of colleges of supervisors for investment firm groups. In particular, since the establishment of colleges of supervisors is left to the discretion of the group supervisor determined in accordance with Article 46 of Directive (EU) 2019/2034, it is essential to set common criteria that group supervisors should take into consideration when determining whether a college of supervisors should be established. Those common criteria should include proportionality criteria, reflect the need to facilitate supervisory tasks, and facilitate coordination between, and cooperation with, relevant third-country supervisory authorities, in particular where such coordination and cooperation is needed to exchange relevant information on the margin model with the supervisory authorities of the clearing members of the qualifying central counterparties (QCCPs) or the supervisory authorities of the QCCPs, and to update such information.
- (3) To increase the efficiency and effectiveness of the functioning of colleges of supervisors, the written arrangements referred to in Article 48(6), third subparagraph, of Directive (EU) 2019/2034 should cover all areas of college work. Those written arrangements should therefore also cover arrangements among college members involved in specific college activities, including activities performed through specific substructures of the college where such substructures are established for efficiency purposes. For the same reason, the written arrangements should also cover the operational aspects of college work, as those aspects are essential for facilitating the functioning of the college of supervisors both in going concern and during emergency situations. Finally, the written arrangements should be comprehensive, consistent and exhaustive and should provide an adequate and appropriate basis for the competent authorities to discharge their duties and tasks within, rather than outside, the college of supervisors.

⁽¹⁾ OJ L 314, 5.12.2019, p. 64.

- (4) Colleges of supervisors are a key tool for exchanging information, for preparing for and dealing with emergency situations, and for enabling the group supervisor to conduct effective supervision on a consolidated basis. To ensure consistency and to enable the European Banking Authority (EBA) to perform its tasks in accordance with Regulation (EU) No 1093/2010 of the European Parliament and of the Council ⁽²⁾, the EBA should participate in all colleges of supervisors. Furthermore, given the coordinating role of the colleges of supervisors for all supervisory activities regarding the investment firm groups that stem from other Union legislation, the European Securities and Markets Authority (ESMA) should always be invited to participate in the meetings and activities of the college of supervisors, in accordance with the written arrangements.
- (5) To be able to perform all college activities, the group supervisor and the members of the college of supervisors should have an overview of the activities carried out by all entities of the investment firm group concerned, including the activities of those entities that carry out financial activities without being qualified as investment firms, and the activities of those entities that operate in third countries. For the same reason, interaction should be promoted between the group supervisor, the college members, public authorities or bodies in a Member State that are responsible for or involved in the supervision of any entity of the investment firm group, including competent authorities of host Member States where branches assessed as important are established, authorities or bodies that are responsible for the supervision of markets in financial instruments and for the prevention of the use of the financial system for money laundering and terrorism financing, authorities or bodies that are responsible for consumer protection, and resolution authorities. It is therefore important that those public authorities or bodies are allowed to participate in the work of the college of supervisors as observers, where appropriate.
- (6) In the interest of transparency and to ensure the smooth functioning of the college of supervisors, college members should discuss and agree on the scope and level of involvement of other authorities, if any, who should participate in the college of supervisors as observers. The conditions for participation of such authorities as observers in the college of supervisors should be clearly set out in the written arrangements and should be communicated to all authorities participating as observers in the college of supervisors.
- (7) In order to better perform their duties and to avoid duplication of tasks, including duplication of information requests addressed to the supervised entities of the group, members of the college of supervisors should closely work together and coordinate their supervisory actions to the maximum extent possible. For the same reason, members of the college of supervisors should regularly review any agreements on delegation of tasks and responsibilities, and in particular when college members determine the allocation of resources and develop the plan for on-site and off-site supervisory tasks at the level of the college of supervisors.
- (8) The group supervisor should be able to have a global overview of the group situation and act as a facilitator, ensuring a smooth information flow among college members. Therefore, the group supervisor should have access to all information needed to perform its tasks and responsibilities and should act as the coordinator for the collection and dissemination of information received from any member of the college of supervisors, any other observer or any entity of the group, or any input received from any other supervisory bodies or authorities established in relation to the investment firm group. The same applies for the members of the college as they need to access relevant information to perform their tasks and duties in relation to the entities they are responsible for and the need to share relevant information with the other members of the college of supervisors. In particular, where the group supervisor determines that particular information is relevant for another member of the college of supervisors, it should not unjustifiably exclude members of the college from receiving that information.
- (9) Colleges of supervisors facilitate cooperation and coordination between competent authorities. That is in particular the case for any decisions regarding the use of internal models for the calculation of own fund requirements that require prior permission from competent authorities. It is therefore important to specify conditions under which the group supervisor and the competent authorities concerned exchange information on the performance of internal models and discuss and reach agreement on measures to address identified inefficiencies.

⁽²⁾ 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).

- (10) To allocate supervisory resources and to develop or coordinate of on-site and off-site supervisory tasks at the level of the college of supervisors, the members of the college of supervisors should take into account the outcomes of the supervisory review and evaluation process referred to in Article 36(1) of Directive (EU) 2019/2034 that is performed for the investment firm group and each of its entities. In order to better identify the priorities of the common supervisory work and ensure adequate resource allocation, the establishment of the college supervisory examination programme should therefore start once those supervisory review and evaluation processes have been finalised, and should be concluded once competent authorities have considered the tasks they have committed to perform at national level, the resources allocated to those tasks and the respective timelines for performing those tasks.
- (11) Members of the college of supervisors should coordinate their activities in preparation for and during emergency situations, including adverse developments which may seriously jeopardise the orderly function and the integrity of the financial markets or the stability of whole or part of the financial system of the Union, or other situations that affect or might explicitly affect the financial and economic situation of an investment firm group or any of its entities.
- (12) It is necessary to ensure that an emergency situation is properly assessed and addressed. Therefore, when dealing with an emergency situation, members of the college of supervisors should, under the coordination of the group supervisor, aim to develop a coordinated supervisory assessment of the situation, agree on a coordinated supervisory response and monitor the implementation of their response. Members of the college of supervisors should also ensure that any external communication is coordinated and that such communication covers elements that are agreed *ex-ante* among themselves.
- (13) This Regulation is based on the draft regulatory technical standards submitted to the Commission by the EBA.
- (14) The EBA has consulted ESMA, 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,

HAS ADOPTED THIS REGULATION:

SECTION 1

ESTABLISHMENT OF COLLEGES

Article 1

Mapping of investment firm groups

1. The group supervisor shall map an investment firm group to identify the following group entities:
- (a) investment firms authorised in a Member State and branches established in a Member State, other than investment firms to which Article 1(2) of Regulation (EU) 2019/2033 of the European Parliament and of the Council ⁽³⁾ applies;
 - (b) financial institutions, ancillary services undertakings, tied agents and branches thereof authorised or established in a Member State;
 - (c) investment firms, financial institutions, ancillary services undertakings, tied agents and branches thereof authorised or established in a third country.

⁽³⁾ Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms and amending Regulations (EU) No 1093/2010, (EU) No 575/2013, (EU) No 600/2014 and (EU) No 806/2014 (OJ L 314, 5.12.2019, p. 1).

2. For the purposes of paragraph 1, point (a), the following information shall be reflected in the mapping:
 - (a) the Member State where the investment firm is authorised or the branch is established;
 - (b) the competent authority responsible for the supervision of the investment firm or the competent authority of the host Member State where the branch is established, and other relevant financial sector authorities of that Member State, including competent authorities responsible for the supervision of markets in financial instruments, for the prevention of the use of the financial system for the purposes of money laundering or terrorism financing, for consumer protection and for resolution;
 - (c) for an investment firm, authorised in a Member State, whether it meets the criteria to be deemed to be a small and non-interconnected investment firm as referred to in Article 12(1) of Regulation (EU) 2019/2033.
3. For the purposes of paragraph 1, points (b) and (c), the following information shall be reflected in the mapping:
 - (a) the Member State or the third country where the group entity or branch has been authorised or established;
 - (b) the authority responsible for or involved in the supervision of that group entity or branch;
 - (c) information on the importance of the group entity or branch for the Member State referred to in point (a) and for the investment firm group, and the relevant criteria used by the competent authorities to determine that importance.

Article 2

Determination of whether the establishment of a college of supervisors is appropriate

1. When determining whether the establishment of a college of supervisors is appropriate, the group supervisor shall take into account the mapping of the group referred to in Article 1 and verify whether any of the following conditions is met:
 - (a) the investment firm group consists of at least two investment firms authorised and operating in two different Member States;
 - (b) the exercise of the tasks referred to in Article 48 of Directive (EU) 2019/2034 would be facilitated by the establishment of a college of supervisors;
 - (c) the coordination and cooperation with relevant third-country supervisory authorities would be performed more effectively under a college of supervisors;
 - (d) coordination and cooperation are needed to exchange with the supervisory authorities of the clearing members of the qualifying central counterparties ('QCCPs') or the supervisory authorities of QCCPs for the purposes of Article 23(1), first subparagraph, point (c), and Article 23(2) of Regulation (EU) 2019/2033, and to update that information.
2. Where any of the conditions set out in paragraph 1, points (a), (b), (c) or (d) have been met, the establishment of a college shall be deemed appropriate, except where the group supervisor considers that such establishment would not be appropriate having regard in particular to the mapping of the group referred to in Article 1 and in particular where investment firms are deemed to be small and non-interconnected investment firms as referred to in Article 12(1) of Regulation (EU) 2019/2033.

Article 3

Communication about the establishment of a college of supervisors

1. Where a college of supervisors has been established, the group supervisor shall, without undue delay:
 - (a) notify the competent and supervisory authorities referred to in Article 48(5) of Directive (EU) 2019/2034 of their membership in the college of supervisors;

(b) inform the EBA and the Union parent investment firm, Union parent investment holding company or Union parent mixed financial holding company (any of these entities being also designated as 'Union parent undertaking') concerned about the establishment of the college of supervisors, about the identity of its members and observers, as well as about any changes in the composition of that college.

2. Where a college of supervisors has not been established although the conditions set out in Article 2(1), point (a), have been met, the group supervisor shall, without undue delay, notify the EBA of its decision not to establish a college of supervisors and substantiate its decision.

SECTION 2

FUNCTIONING OF COLLEGES

Article 4

Establishment of the written arrangements

1. The written arrangements referred to in Article 48(6), third subparagraph, of Directive (EU) 2019/2034 shall contain all of the following:

- (a) information on the overall structure of the group concerned, covering all group entities, including the Union parent undertaking;
- (b) the identification of the members of the college of supervisors, including those members that are third-country supervisory authorities, and of the observers referred to in Article 5(1) of this Regulation;
- (c) a description of the terms covering the participation for the third-country supervisory authorities referred to in Article 48(5), point (b), of Directive (EU) 2019/2034 in the college of supervisors, in particular regarding their involvement in the various dialogues and processes of the college of supervisors and their rights and obligations with regard to exchanging information within the college of supervisors;
- (d) whether the group supervisor may invite observers as referred to in Article 5(1) of this Regulation and the terms of their participation in the activities of the college of supervisors;
- (e) the arrangements for exchanging information, including the scope of the information, the frequency and channels of communication, including the exchange of information with third-country supervisory authorities and the resolution authorities referred to in Article 4(2), point (v), of Regulation (EU) No 1093/2010 that have been invited to participate in the college as observers;
- (f) the arrangements for dealing with confidential information;
- (g) the procedures for the collection of information from the entities of the investment firm group, and the procedures for the verification of that information;
- (h) the process for coordinating information requests from the supervisory authorities of the clearing members of the QCCPs or the supervisory authorities of the QCCPs;
- (i) the arrangements for delegating tasks and responsibilities, where relevant;
- (j) a description of any substructures of the college, where relevant;
- (k) the arrangements for the planning and coordination of supervisory activities in going concern situations;
- (l) the arrangements for the planning and coordination of supervisory activities in preparation for and during emergency situations, including contingency planning, communication tools and procedures;
- (m) the procedures for informing the group supervisor and the members of the college of supervisors before and after significant sanctions are imposed on entities of the investment firm groups;
- (n) the communication policy of the group supervisor and of the members of the college of supervisors with the Union parent undertaking and with the group entities;

- (o) agreed procedures and time frames for circulating the documents for meetings of the college of supervisors;
- (p) any other agreement between the members of the college of supervisors, including agreed indicators for identifying early warning signs, potential risks and vulnerabilities;
- (q) arrangements for the situation in which a member or an observer terminates its participation in the college, and, in particular, on duties to store and provide access to the data that has been exchanged before such a termination.

2. The written arrangements referred to in Article 48(6), third subparagraph of Directive (EU) 2019/2034 may provide for other elements agreed between the consolidating supervisor and the members of the college.

Article 5

Identification of observers

1. The group supervisor shall, where appropriate and in addition to the members of the college of supervisors and the EBA, invite the following authorities to participate in the meetings and activities of the college of supervisors as observers:

- (a) the competent authorities of those host Member States where branches that have been determined as important in accordance with Article 1(3), point (c), are established;
- (b) the ESMA;
- (c) the national central bank of a Member State in which a group entity, including the Union parent undertaking, is authorised or established, or the European Central Bank;
- (d) the public authorities or bodies in a Member State that are responsible for or involved in the supervision of any entity of the investment firm group, including competent authorities responsible for the supervision of markets in financial instruments, the prevention of the use of the financial system for the purpose of money laundering or terrorism financing, and consumer protection and competent authorities of a clearing member's home Member State or competent authorities of the QCCP referred in Article 48 of Directive (EU) 2019/2034;
- (e) the resolution authorities referred to in Article 4(2), point (v), of Regulation (EU) No 1093/2010.

2. The group supervisor, in consultation with the members of the college of supervisors, shall in the written coordination and cooperation arrangements referred to in Article 4 specify the arrangements covering the participation in the college of supervisors of the authorities referred to in paragraph 1, points (a) to (e), of this Article. The group supervisor shall inform all members and observers of the college of supervisors about those arrangements.

Article 6

Participation in meetings of college of supervisors

1. When organising a college meeting as referred to in Article 48(6) of Directive (EU) 2019/2034, the group supervisor shall take into account all of the following:

- (a) the topics to be discussed, the activities to be considered and the objectives of the meeting, in particular with regard to their relevance for all the entities of the investment firm group as per the mapping performed in accordance with Article 1 of this Regulation;
- (b) the importance of any entity of the investment firm group, as per the mapping performed in accordance with Article 1 of this Regulation, both for the investment firm group and for the Member State where that entity has been authorised or established.

2. The group supervisor, the members and the observers in the college of supervisors shall, based on the topics discussed and objectives pursued, ensure that the most appropriate representatives participate in the meetings or activities of the college of supervisors. Those representatives shall have the power to commit their authorities as members or observers in the college, to the maximum extent possible, for the discussions and decisions planned during those meetings.

3. The group supervisor may, based on the topics and objectives of the meeting of the supervisory college, invite representatives of entities of the investment firm group to participate in those meetings.

Article 7

Delegation of tasks and responsibilities

1. When establishing and updating the college supervisory examination programme referred to in Article 14, the group supervisor and the members of the college of supervisors shall consider the possibility of agreements on the voluntary delegation of tasks and responsibilities referred to in Article 48(2), point (e), of Directive (EU) 2019/2034, in particular where such delegation is expected to lead to more efficient and effective supervision, in particular by removing unnecessary duplications of supervisory requirements, including in relation to information requests.
2. The conclusion of an agreement on delegation of tasks and responsibilities shall be notified by the group supervisor to the Union parent undertaking, and by the competent authority that delegates its powers to the investment firm concerned.

Article 8

Exchange of information between the members of the college of supervisors and an investment firm group

1. The group supervisor and the members of the college of supervisors shall coordinate the communication of information to, and the request for information from, any entity of the investment firm group as follows:
 - (a) the group supervisor shall communicate information to, and request information from, the Union parent undertaking;
 - (b) the members of the college of supervisors shall communicate information to, and request information from, the entities of the investment firm group which are under their supervisory remit as per the mapping performed in accordance with Article 1.
2. A member of the college of supervisors that exceptionally intends to communicate information to, or request information from, the Union parent undertaking, shall inform the group supervisor thereof in advance.
3. Where, exceptionally, the group supervisor intends to communicate information to, or request information from, an entity of the investment firm group which is outside its direct supervisory remit as per the mapping performed in accordance with Article 1, it shall inform the member concerned of the college responsible for supervising that entity thereof in advance.

SECTION 3

PLANNING AND COORDINATION OF SUPERVISORY ACTIVITIES IN GOING CONCERN SITUATIONS

Article 9

General conditions for the exchange of information within the college of supervisors

1. The group supervisor, the members and the observers of the college of supervisors shall exchange all information necessary to facilitate the exercise of their functions and duties, including tasks referred to in Articles 48 and 49 of Directive (EU) 2019/2034.
2. The information referred to in paragraph 1 shall include all relevant information, whether received from a group entity or a branch, a competent or supervisory authority, or any other source and shall be exchanged in an adequate, accurate, and timely manner.

*Article 10***Exchange of information to increase the efficiency of supervision of investment firm groups**

1. The group supervisor and the members of the college of supervisors shall regularly exchange the following information:
 - (a) the information referred to in Article 13(1) and (2) of Directive (EU) 2019/2034, as further specified in Commission Delegated Regulation (EU) 2023/1117 ⁽⁴⁾;
 - (b) information necessary for meeting the cooperation requirements laid down in Article 49 of Directive (EU) 2019/2034;
 - (c) where relevant, information on the macroeconomic environment in which the investment firm group and its entities operate.
2. Based on the information exchanged in accordance with paragraph 1, the group supervisor and the members of the college of supervisors shall identify and exchange quantitative information to identify early warning signs, potential risks and vulnerabilities and to inform the supervisory review and evaluation process.

*Article 11***Exchange of information for the purposes of supervisory review and evaluation process**

1. The group supervisor and the members of the college of supervisors shall exchange information on the outcomes of the supervisory review and evaluation process carried out in accordance with Article 36 of Directive (EU) 2019/2034.
2. The information referred to in paragraph 1 shall contain at least the following:
 - (a) the elements referred to in Article 36(1), points (a) to (g), of Directive (EU) 2019/2034 that have been subject to a supervisory review and evaluation;
 - (b) the results of the assessment that one of the situations referred to in Article 40(1) of Directive (EU) 2019/2034 have been identified, including, where applicable, information about any additional own funds requirements that have been imposed in accordance with Articles 39 and 40 of Directive (EU) 2019/2034 and any information about the conclusions of the review performed in accordance with Article 41 of that Directive and, where applicable, any related requests for additional own funds;
 - (c) the results of the liquidity adequacy assessment performed in accordance with Article 42(1) of Directive (EU) 2019/2034, and, where applicable, information about any specific liquidity requirements imposed in accordance with Article 39(2), point (k), and Article 42(1) of Directive (EU) 2019/2034;
 - (d) information about other supervisory measures or early intervention measures taken or planned to be taken to address the inefficiencies identified as a result of the supervisory review and evaluation process;
 - (e) information about findings from on-site inspections and off-site monitoring that are relevant for the assessment of the risk profile of the investment firm group or any of its entities.

⁽⁴⁾ Commission Delegated Regulation (EU) 2023/1117 of 12 January 2023 supplementing Directive (EU) 2019/2034 of the European Parliament and of the Council with regard to regulatory technical standards specifying requirements for the type and nature of the information to be exchanged by competent authorities of home and host Member States (see page 10 of this Official Journal).

*Article 12***Exchange of information with regard to the ongoing review of the permission to use internal models**

1. The group supervisor and the members of the college of supervisors shall exchange all relevant information about the outcome of the ongoing review of the permission to use the internal models referred to in Article 37 of Directive (EU) 2019/2034.
2. Where the group supervisor or any member of the college of supervisors has identified that an entity of the investment firm group, including the Union parent undertaking, no longer meets the requirements for applying internal models or has identified deficiencies in accordance with Article 37 of Directive (EU) 2019/2034, that group supervisor or member of the college of supervisors shall immediately exchange the following information, as applicable:
 - (a) an assessment of the effect of the deficiencies identified and any issues of non-compliance with the requirements for using internal models and the materiality of those deficiencies and issues;
 - (b) an assessment of the plan presented by the relevant entity of the investment firm group to restore compliance and to address the deficiencies identified, including information on the timeline for the implementation of that plan;
 - (c) information about the intention of the group supervisor or any relevant member of the college of supervisors to revoke the permission to use the internal model or to restrict the use of that model to compliant areas or to those areas where compliance can be achieved within an appropriate timeline or to those areas that are not affected by the deficiencies identified;
 - (d) information about any proposed additional own funds requirements imposed pursuant to Article 39(2), point (a), in conjunction with Article 40(1), point (d), of Directive (EU) 2019/2034, as a supervisory measure to address the issues of non-compliance or deficiencies identified.
3. The group supervisor and the members of the college of supervisors shall also exchange information about extensions of the permission to use the internal model or information about changes to those internal models.

*Article 13***Cooperation with regard to non-compliance and sanctions**

1. The members and observers in the college of supervisors shall communicate to the group supervisor information about any situations in respect of which they have determined that an entity of an investment firm group which is under their supervisory remit:
 - (a) has not complied with requirements in relation to the prudential supervision or market conduct supervision, laid down in:
 - (i) Regulation (EU) 2019/2033, and, where relevant, Regulation (EU) No 575/2013 of the European Parliament and of the Council ⁽⁵⁾;
 - (ii) Directive (EU) 2019/2034;
 - (iii) Regulation (EU) No 600/2014 of the European Parliament and of the Council ⁽⁶⁾;
 - (iv) Directive 2014/65/EU of the European Parliament and of the Council ⁽⁷⁾;
 - (v) Directive 2014/59/EU of the European Parliament and of the Council ⁽⁸⁾;

⁽⁵⁾ 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, 27.6.2013, p. 1).

⁽⁶⁾ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 (OJ L 173, 12.6.2014, p. 84).

⁽⁷⁾ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).

⁽⁸⁾ 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 (OJ L 173, 12.6.2014, p. 190).

- (b) is subject to any of the administrative penalties or other administrative measures that have been imposed in accordance with Article 54 of Directive (EU) 2019/2034.
2. Based on the information exchanged in accordance with paragraph 1, the members and observers in the college of supervisors shall discuss with the group supervisor the possible impact of the issues of non-compliance or sanctions for the group entities concerned or for the investment firm group as a whole.

Article 14

Implementation of the supervisory review and evaluation process

1. For the purpose of performing the supervisory review and evaluation process carried out in accordance with Article 36 of Directive (EU) 2019/2034, the group supervisor, in consultation with the members of the college of supervisors, shall establish and maintain an updated college supervisory examination programme.
2. Where the supervisory examination programme is established, the group supervisor, in consultation with the members of the college of supervisors, shall identify the supervisory activities to be undertaken in relation to the group entities or the investment firm group as a whole. That college supervisory examination programme shall contain all of the following:
- (a) the areas of joint work identified as a result of the supervisory review and evaluation carried out in accordance with Article 36 of Directive (EU) 2019/2034 or as a result of any other activities undertaken by the college of supervisors, including efforts to contribute to efficient supervision and to remove unnecessary duplication of supervisory requirements as referred to in Article 48(2), point (f), of that Directive;
 - (b) the respective supervisory examination programmes of the group supervisor and of the members of the college of supervisors for the Union parent undertaking and the entities or branches of the investment firm group;
 - (c) the areas of focus of the work of the college of supervisors and its planned supervisory activities, including planned on-the-spot checks and inspections as referred to in Article 14 of Directive (EU) 2019/2034;
 - (d) the members of the college of supervisors responsible for undertaking the planned supervisory activities;
 - (e) the expected timelines, both in terms of timing and duration, for each of the planned supervisory activities.

SECTION 4

PLANNING AND COORDINATION OF SUPERVISORY ACTIVITIES IN PREPARATION FOR AND DURING EMERGENCY SITUATIONS

Article 15

College framework in anticipation of possible emergency situations

1. The group supervisor, in consultation with the members of the college of supervisors, shall establish a college framework in anticipation of possible emergency situations, taking into account the specific features and structure of the investment firm group.
2. The college framework referred to in paragraph 1 shall be formalised in the written arrangements concluded in accordance with Article 4 and shall contain all of the following:
- (a) the college-specific procedures that shall apply where an emergency situation as referred to in Article 47 of Directive (EU) 2019/2034 arises;
 - (b) information that shall be exchanged when an emergency situation as referred to in Article 47 of Directive (EU) 2019/2034 arises.

3. The information referred to in paragraph 2, point (b), shall contain all of the following:
 - (a) an outline of the emergency situation which has occurred, including the underlying cause of the emergency situation, and the expected impact of the emergency situation on the entities of the investment firm group or on the group as a whole, its clients, the markets and the stability of the financial system of the European Union;
 - (b) an explanation of the measures and actions that have been taken or are planned to be taken by the group supervisor or any of the members of the college of supervisors or the entities of the investment firm group in response to the emergency situation;
 - (c) the latest available quantitative information regarding liquidity and capital position of the investment firms of the investment firm group.

Article 16

The exchange of information during emergency situations

1. The group supervisor and the members of the college of supervisors shall exchange all information necessary to facilitate the exercise of the tasks referred to in Article 47 of Directive (EU) 2019/2034.
2. When alerted of an emergency situation by any member or observer in the college of supervisors, or after having identified an emergency situation, the group supervisor shall communicate to the members of the college of supervisors who supervise the investment firm or its branches that are affected or likely to be affected by the emergency situation, the EBA and the European Systemic Risk Board the information referred to in Article 15(2), point (b), following the procedures established in accordance with point (a) of that paragraph.
3. Depending on the nature, severity, potential systemic impact or other impact, and on the likelihood of contagion of the emergency situation, the members of the college of supervisors who supervise the group entities or branches that are affected or likely to be affected by the emergency situation and the group supervisor may decide to exchange additional information.
4. The information referred to in paragraphs 2 and 3, where applicable, shall be updated immediately when new information is available.
5. Where the communication referred to in this Article is made orally, the competent authorities concerned shall confirm the content of that communication in writing in a timely manner.

Article 17

Coordination of the supervisory assessment and response to an emergency situation

1. Where an emergency situation occurs, the group supervisor shall coordinate the assessment of the emergency situation in cooperation with the members of the college of supervisors and shall consult the observers in the college as appropriate. This assessment shall cover in particular the following:
 - (a) the nature and severity of the emergency situation;
 - (b) the impact or potential impact of the emergency situation on the entities or branches of the investment firm group and on the group as a whole, as well as on its clients and on markets;
 - (c) the risk of cross-border contagion, in particular considering the potential systemic consequences in any of the Member States where the entities of the investment firm group are authorised or established.
2. The group supervisor shall, on the basis of the assessment referred to in paragraph 1, coordinate the development of a supervisory response to the emergency situation in cooperation with the members of the college of supervisors and shall consult with the observers in the college of supervisors as appropriate.

3. The coordinated supervisory response shall specify the supervisory actions needed, their scope, and the timetable for their implementation.
4. The group supervisor and the members of the college of supervisors responsible for the supervision of the entities or branches of the investment firm group that are affected or likely to be affected by the emergency situation shall monitor and exchange information on how the coordinated supervisory response is to be implemented.

Article 18

Coordination of the external communication in an emergency situation

The group supervisor and the members of the college of supervisors responsible for the supervision of the entities or branches of the investment firm group who are affected or likely to be affected by an emergency situation shall coordinate their external communications as much as possible, taking into account legal obligations and constraints under Union and national law.

Article 19

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 the Member States in accordance with the Treaties.

Done at Brussels, 12 January 2023.

For the Commission
The President
Ursula VON DER LEYEN
