

Press Release

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[EBA, EIOPA and ESMA publish RTS on the consistent application of calculation methods under the Financial Conglomerates Directive](#)

The Joint Committee of the three European Supervisory Authorities (EBA, EIOPA and ESMA) has published its draft Regulatory Technical Standards (RTS) on the consistent application of the calculation methods described in the Financial Conglomerates Directive (FICOD) covering the assessment of the financial situation of credit institutions, insurance undertakings and investment firms which are part of a financial conglomerate.

These RTS define the appropriate application of calculation methods for the determination of required capital at the financial conglomerate level. Their underlying principles are to eliminate multiple gearing and intra-group creation of own funds, transferability and availability of own funds and to cover deficit at financial conglomerate level having regard to definition of cross-sector capital.

Based on the technical calculation methods provided in the FICOD, the RTS aim at harmonising the use of the calculation methods, by applying these principles and specifying which sectoral rules comprise sectoral own funds and solvency requirements in order to ensure a consistent approach in the calculations is applied across different financial conglomerates.

Legal basis

These draft regulatory technical standards (RTS) have been developed in accordance with the mandate contained in Article 49(6) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulation or CRR) and Article 150 of Directive 2013/36/EU (Capital Requirements Directive or CRD IV) of the European Parliament and of the Council of 26 June 2013 (amending Article 21a of the Directive 2002/87/EC).

These Articles provide that the ESAs, through the Joint Committee, shall develop draft Regulatory Technical Standards (RTS) with regard to the conditions of the application of Article 6(2) of Directive 2002/87/EC.

The Joint Committee

The Joint Committee is a forum for cooperation that was established on 1st January 2011, with the goal of strengthening cooperation between the European Banking Authority (EBA), European Securities and Markets Authority (ESMA) and European Insurance and Occupational Pensions Authority (EIOPA), collectively known as the three European Supervisory Authorities (ESAs).

Through the Joint Committee, the three ESAs cooperate regularly and closely and ensure consistency in their practices. In particular, the Joint Committee works in the areas of supervision of financial conglomerates, accounting and auditing, micro-prudential analyses of cross-sectoral developments, risks and vulnerabilities for financial stability, retail investment products and measures combating money laundering.