

ARTICLE		
CONTENT	SUBTITLE	TITLE
<div> <p>This Regulation lays down rules regarding:</p> <ul style="list-style-type: none"> the establishment of a more precise formulation of the definitions of intra-group transactions and risk concentration set out in points (18) and (19) of Article 2 of Directive 2002/87/EC by laying down criteria for assessing when they are of a significant character the coordination of the provisions adopted pursuant to Articles 7 and 8 and Annex II of Directive 2002/87/EC with respect to: the information to be provided by regulated entities or mixed financial holding companies to the coordinator and other relevant competent authorities for the purpose of supervisory overview of risk concentration and intra-group transaction; the methodology to be applied by the coordinator and relevant competent authorities for the purposes of identifying types of significant risk concentration and intra-group transactions; the supervisory measures to be applied by competent authorities as referred to in Articles 7(3) and 8(3) of Directive 2002/87/EC. </div>	Subject matter	Article 1
<ul style="list-style-type: none"> <p>Significant intra-group transactions may include the following transactions within a financial conglomerate:</p> <ul style="list-style-type: none"> investments and intercompany balances including real estate, bonds, equity, loans, hybrid and subordinated instruments, collateralised debt, arrangements to centralise the management of assets or cash or to share costs, pension arrangements, provision of management, back office or other services, dividends, interest payments and other receivables; guarantees, commitments, letters of credit and other off-balance sheet transactions; derivatives transactions; purchase, sale or lease of assets and liabilities; intra-group fees related to distribution contracts; transactions to shift risk exposures between entities within the financial conglomerate, including transactions with special purpose vehicles or ancillary entities; insurance, reinsurance and retrocession operations; transactions that consist of several connected transactions where assets or liabilities are transferred to entities outside of the financial conglomerate, but ultimately risk exposure is brought back within the financial conglomerate. <p>With respect to regulated entities and mixed financial holding companies, when identifying types of significant intra-group transactions, defining appropriate thresholds, periods for reporting and overviewing significant intra-group transactions, the coordinator and the other relevant competent authorities shall, in particular, take into account:</p> <ul style="list-style-type: none"> the specific structure of the financial conglomerate, the complexity of the intra-group transactions, the specific geographical location of the counterparty and whether or not the counterparty is a regulated entity; possible contagion effects within the financial conglomerate; possible circumventions of sectoral rules possible conflicts of interests the solvency and liquidity position of the counterparty; transactions among entities belonging to different sectors of a financial conglomerate, if not already reported at sectoral level; transactions within a financial sector, which are not already reported in accordance to the provisions of the sectoral rules. <p>The coordinator and the other relevant competent authorities shall agree on the form and content of the significant intra-group transactions report, including language, remittance dates and channels of</p> 	Significant intra-group transactions	Article 2

DOCUMENT SECTION

communication.

The coordinator and the other relevant competent authorities shall at least require regulated entities or mixed financial holding companies to report on the following:

- the dates and amounts of the significant transactions, names and company register numbers or other identification numbers of the relevant group entities and counterparties, including legal entity identifier (LEI), where applicable;
- a brief description of the significant intra-group transactions according to the types of transactions set out in paragraph 1;
- the total volume of all significant intra-group transactions of a specific financial conglomerate within a given reporting period;
- information on how conflicts of interests and risks of contagion at the level of the financial conglomerate regarding significant intra-group transactions are managed, taking into consideration the financial conglomerate's strategy to combine activities in the banking, insurance and investment services sectors, or a sectoral own risks self-assessment including a consideration on the management of conflicts of interests and risks of contagion regarding significant intra-group transactions.

Transactions that are executed as part of a single economic operation shall be aggregated for the purpose of calculating the thresholds pursuant to Article 8(2) of Directive 2002/87/EC.

- Significant risk concentration in the case of regulated entities and mixed financial holding companies shall be deemed to arise from risk exposures towards counterparties which are not part of the financial conglomerate, where those risk exposures:

 - are direct or indirect;
 - are on-balance and off-balance sheet items;
 - concern regulated and unregulated entities, the same or different financial sectors in a financial conglomerate;
 - consist of any combination or interaction of the exposures set out in points (a), (b) or (c).
- Counterparty risk or credit risk shall be deemed to include, in particular, risks related to interconnected counterparties in groups, which do not form part of the financial conglomerate, including an accumulation of exposures towards those counterparties.

With respect to regulated entities and mixed financial holding companies, when identifying types of significant risk concentration, defining appropriate thresholds, periods for reporting and overviewing significant risk concentration, the coordinator and the other relevant competent authorities shall, in particular, take into account:

- the solvency and liquidity position at the level of the financial conglomerate and of the individual entities within the financial conglomerate;
- the size, complexity and specific structure of the financial conglomerate including the existence of special purpose vehicles, ancillary entities, third countries entities;
- the specific risk management structure of the financial conglomerate and the features of the system of governance;
- the diversification of the financial conglomerate's exposures and of its investment portfolio;
- the diversification of the financial conglomerate's financial activities with respect to geographical areas and lines of business;
- the relationship, correlation and interaction between risk factors across the entities in the financial conglomerate;
- possible contagion effects within the financial conglomerate;
- possible circumventions of sectoral rules
- possible conflicts of interest
- the level or volume of risks;
- possible accumulation and interaction of exposures incurred by entities belonging to different financial sectors of the financial conglomerate, if not already reported at a sectoral level;
- exposures within a financial sector

Significant
risk
concentration

Article
3

	overview significant risk concentration and significant intra-group transactions;		
	<div class="crrArticle">This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.</div>		Article 5