

Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council

CHAPTER I

OBJECTIVE AND DEFINITIONS

l^{FI} Article 2

Definitions

For the purposes of this Directive:

- (1) ‘credit institution’ means a credit institution within the meaning of Article 4(1) of Directive 2006/48/EC;
- (2) ‘insurance undertaking’ means an insurance undertaking within the meaning of Article 13(1), (2) or (3) of Directive 2009/138/EC;
- (3) ‘investment firm’ means an investment firm within the meaning of point 1 of Article 4(1) of Directive 2004/39/EC, including the undertakings referred to in Article 3(1) (d) of Directive 2006/49/EC of the European Parliament and of the Council of 14 June 2006 on the capital adequacy of investment firms and credit institutions⁽¹⁾ or an undertaking the registered office of which is in a third country and which would require authorisation under Directive 2004/39/EC if its registered office were in the Union;
- (4) ‘regulated entity’ means a credit institution, an insurance undertaking, a reinsurance undertaking, an investment firm, an asset management company or an alternative investment fund manager;
- (5) ‘asset management company’ means a management company within the meaning of Article 2(1)(b) of Directive 2009/65/EC or an undertaking the registered office of which is in a third country and which would require authorisation under that Directive if its registered office were within the Union;
- (5a) ‘alternative investment fund manager’ means a manager of alternative investment funds within the meaning of Article 4(1)(b), (l) and (ab) of Directive 2011/61/EU or an undertaking the registered office of which is in a third country and which would require authorisation under that Directive if its registered office were within the Union;
- (6) ‘reinsurance undertaking’ means a reinsurance undertaking within the meaning of Article 13(4), (5) or (6) of Directive 2009/138/EC or a special purpose vehicle within the meaning of Article 13(26) of Directive 2009/138/EC;
- (7) ‘sectoral rules’ means Union legislation relating to the prudential supervision of regulated entities, in particular Directives 2004/39/EC, 2006/48/EC, 2006/49/EC and 2009/138/EC;
- (8) ‘financial sector’ means a sector composed of one or more of the following entities:

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- (a) a credit institution, a financial institution or an ancillary services undertaking within the meaning of Article 4(1), (5) or (21) of Directive 2006/48/EC (hereinafter referred to collectively as ‘the banking sector’);
 - (b) an insurance undertaking, a reinsurance undertaking or an insurance holding company within the meaning of Article 13(1), (2), (4) or (5) or of Article 212(1)(f) of Directive 2009/138/EC (hereinafter referred to collectively as ‘the insurance sector’);
 - (c) an investment firm within the meaning of Article 3(1)(b) of Directive 2006/49/EC (hereinafter referred to collectively as ‘the investment services sector’);
- (9) ‘parent undertaking’ means a parent undertaking as defined in Article 1 of Seventh Council Directive 83/349/EEC of 13 June 1983 on consolidated accounts⁽²⁾ or any undertaking which, in the opinion of the competent authorities, effectively exercises a dominant influence over another undertaking;
- (10) ‘subsidiary undertaking’ means a subsidiary undertaking as defined in Article 1 of Directive 83/349/EEC or any undertaking over which, in the opinion of the competent authorities, a parent undertaking effectively exercises a dominant influence or all subsidiaries of such subsidiary undertakings;
- (11) ‘participation’ means a participation within the meaning of the first sentence of Article 17 of Fourth Council Directive 78/660/EEC of 25 July 1978 on the annual accounts of certain types of companies⁽³⁾, or the direct or indirect ownership of 20 % or more of the voting rights or capital of an undertaking;
- (12) ‘group’ means a group of undertakings which consists of a parent undertaking, its subsidiaries and the entities in which the parent undertaking or its subsidiaries hold a participation, or undertakings linked to each other by a relationship within the meaning of Article 12(1) of Directive 83/349/EEC, including any subgroup thereof;
- (12a) ‘control’ means the relationship between a parent undertaking and a subsidiary undertaking as set out in Article 1 of Directive 83/349/EEC, or a similar relationship between a natural or legal person and an undertaking;
- (13) ‘close links’ means a situation in which two or more natural or legal persons are linked by control or participation, or a situation in which two or more natural or legal persons are permanently linked to the same person by a control relationship;
- (14) ‘financial conglomerate’ means a group or subgroup, where a regulated entity is at the head of the group or subgroup, or where at least one of the subsidiaries in that group or subgroup is a regulated entity, and which meets the following conditions:
- (a) where there is a regulated entity at the head of the group or subgroup:
 - (i) that entity is a parent undertaking of an entity in the financial sector, an entity which holds a participation in an entity in the financial sector, or an entity linked with an entity in the financial sector by a relationship within the meaning of Article 12(1) of Directive 83/349/EEC;
 - (ii) at least one of the entities in the group or subgroup is within the insurance sector and at least one is within the banking or investment services sector; and

- (iii) the consolidated or aggregated activities of the entities in the group or subgroup within the insurance sector and of the entities within the banking and investment services sector are both significant within the meaning of Article 3(2) or (3) of this Directive; or
 - (b) where there is no regulated entity at the head of the group or subgroup:
 - (i) the group's or subgroup's activities occur mainly in the financial sector within the meaning of Article 3(1) of this Directive;
 - (ii) at least one of the entities in the group or subgroup is within the insurance sector and at least one is within the banking or investment services sector; and
 - (iii) the consolidated or aggregated activities of the entities in the group or subgroup within the insurance sector and of the entities within the banking and investment services sector are both significant within the meaning of Article 3(2) or (3) of this Directive;
- (15) 'mixed financial holding company' means a parent undertaking, other than a regulated entity, which, together with its subsidiaries — at least one of which is a regulated entity which has its registered office in the Union — and other entities, constitutes a financial conglomerate;
- (16) 'competent authorities' means the national authorities of the Member States which are empowered by law or regulation to supervise credit institutions, insurance undertakings, reinsurance undertakings, investment firms, asset management companies or alternative investment fund managers whether on an individual or group-wide basis;
- (17) 'relevant competent authorities' means:
 - (a) Member States' competent authorities responsible for the sectoral group-wide supervision of any of the regulated entities in a financial conglomerate, in particular of the ultimate parent undertaking of a sector;
 - (b) the coordinator appointed in accordance with Article 10 if different from the authorities referred to in point (a);
 - (c) where appropriate, other competent authorities relevant to the opinion of the authorities referred to in points (a) and (b);
- (18) 'intra-group transactions' means all transactions by which regulated entities within a financial conglomerate rely directly or indirectly on other undertakings within the same group or on any natural or legal person linked to the undertakings within that group by close links, for the fulfilment of an obligation, whether or not contractual, and whether or not for payment;
- (19) 'risk concentration' means all risk exposures with a loss potential which is large enough to threaten the solvency or the financial position in general of the regulated entities in a financial conglomerate, whether such exposures are caused by counterparty risk/credit risk, investment risk, insurance risk, market risk, other risks, or a combination or interaction of such risks.

Until the entry into force of any regulatory technical standards adopted in accordance with Article 21a(1)(b), the opinion referred to in point (17)(c) shall, in particular, take

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into account the market share of the regulated entities of the financial conglomerate in other Member States, in particular if it exceeds 5 %, and the importance in the financial conglomerate of any regulated entity established in another Member State.]

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Textual Amendments

- F1** Substituted by [Directive 2011/89/EU of the European Parliament and of the Council of 16 November 2011 amending Directives 98/78/EC, 2002/87/EC, 2006/48/EC and 2009/138/EC as regards the supplementary supervision of financial entities in a financial conglomerate \(Text with EEA relevance\).](#)

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- (1) [^{F1}OJ L 177, 30.6.2006, p. 201.]
- (2) [^{F1}OJ L 193, 18.7.1983, p. 1.]
- (3) [^{F1}OJ L 222, 14.8.1978, p. 11.]

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