

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 (Text with EEA relevance)

PART SIX

**DISCLOSURE BY INVESTMENT FIRMS**

*Article 46*

**Scope**

1 Investment firms that do not meet the conditions for qualifying as small and non#interconnected investment firms set out in Article 12(1) shall publicly disclose the information specified in this Part on the same date as they publish their annual financial statements.

2 Investment firms that meet the conditions for qualifying as small and non#interconnected investment firms set out in Article 12(1) which issue Additional Tier 1 instruments shall publicly disclose the information set out in Articles 47, 49 and 50 on the same date as they publish their annual financial statements.

3 Where an investment firm no longer meets all the conditions for qualifying as a small and non#interconnected investment firm set out in Article 12(1), it shall publicly disclose the information set out in this Part as of the financial year following the financial year in which it ceased to meet those conditions.

4 Investment firms may determine the appropriate medium and location to comply effectively with the disclosure requirements referred to in paragraphs 1 and 2. All disclosures shall be provided in one medium or location, where possible. If the same or similar information is disclosed in two or more media, a reference to the synonymous information in the other media shall be included within each medium.

*Article 47*

**Risk management objectives and policies**

Investment firms shall disclose their risk management objectives and policies for each separate category of risk set out in Parts Three, Four and Five in accordance with Article 46, including a summary of the strategies and processes to manage those risks and a concise risk statement approved by the investment firm's management body succinctly describing the investment firm's overall risk profile associated with the business strategy.

*Article 48*

**Governance**

Investment firms shall disclose the following information regarding internal governance arrangements, in accordance with Article 46:

- (a) the number of directorships held by members of the management body;
- (b) the policy on diversity with regard to the selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which those objectives and targets have been achieved;
- (c) whether or not the investment firm has set up a separate risk committee and the number of times the risk committee has met annually.

#### *Article 49*

#### **Own funds**

1 Investment firms shall disclose the following information regarding their own funds, in accordance with Article 46:

- a a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and applicable filters and deductions applied to own funds of the investment firm and the balance sheet in the audited financial statements of the investment firm;
- b a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the investment firm;
- c a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments and deductions to which those restrictions apply.

2 EBA, in consultation with ESMA, shall develop draft implementing technical standards to specify templates for disclosure under points (a), (b) and (c) of paragraph 1.

EBA shall submit those draft implementing technical standards to the Commission by 26 June 2021.

Power is conferred on the Commission to adopt the implementing technical standards referred to in the first subparagraph in accordance with Article 15 of Regulation (EU) No 1093/2010.

#### *Article 50*

#### **Own funds requirements**

Investment firms shall disclose the following information regarding their compliance with the requirements laid down in Article 11(1) of this Regulation and in Article 24 of Directive (EU) 2019/2034, in accordance with Article 46 of this Regulation:

- (a) a summary of the investment firm's approach to assessing the adequacy of its internal capital to support current and future activities;
- (b) upon a request from the competent authority, the result of the investment firm's internal capital adequacy assessment process, including the composition of the additional own funds based on the supervisory review process as referred to in point (a) of Article 39(2) of Directive (EU) 2019/2034;
- (c) the K#factor requirements calculated, in accordance with Article 15 of this Regulation, in aggregate form for RtM, RtF, and RtC, based on the sum of the applicable K# factors; and

- (d) the fixed overheads requirement determined in accordance with Article 13 of this Regulation.

### Article 51

#### Remuneration policy and practices

Investment firms shall disclose the following information regarding their remuneration policy and practices, including aspects related to gender neutrality and the gender pay gap, for those categories of staff whose professional activities have a material impact on investment firm's risk profile, in accordance with Article 46;

- (a) the most important design characteristics of the remuneration system, including the level of variable remuneration and criteria for awarding variable remuneration, payout in instruments policy, deferral policy and vesting criteria;
- (b) the ratios between fixed and variable remuneration set in accordance with Article 30(2) of Directive (EU) 2019/2034;
- (c) aggregated quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the investment firm, indicating the following:
- (i) the amounts of remuneration awarded in the financial year, split into fixed remuneration, including a description of the fixed components, and variable remuneration, and the number of beneficiaries;
  - (ii) the amounts and forms of awarded variable remuneration, split into cash, shares, share#linked instruments and other types separately for the part paid upfront and for the deferred part;
  - (iii) the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years;
  - (iv) the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments;
  - (v) the guaranteed variable remuneration awards during the financial year and the number of beneficiaries of those awards;
  - (vi) the severance payments awarded in previous periods, that have been paid out during the financial year;
  - (vii) the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and the highest payment that has been awarded to a single person;
- (d) information on whether the investment firm benefits from a derogation laid down in Article 32(4) of Directive (EU) 2019/2034.

For the purposes of point (d) of the first subparagraph, investment firms that benefit from such a derogation shall indicate whether that derogation was granted on the basis of point (a) or point (b) of Article 32(4) of Directive (EU) 2019/2034, or both. They shall also indicate for which of the remuneration principles they apply the

derogation(s), the number of staff members who benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.

This Article shall be without prejudice to the provisions set out in Regulation (EU) 2016/679 of the European Parliament and of the Council<sup>(1)</sup>.

#### *Article 52*

### **Investment policy**

1 Member States shall ensure that investment firms which do not meet the criteria referred to in point (a) of Article 32(4) of Directive (EU) 2019/2034 disclose the following in accordance with Article 46 of this Regulation:

- a the proportion of voting rights attached to the shares held directly or indirectly by the investment firm, broken down by Member State and sector;
- b a complete description of voting behaviour in the general meetings of companies the shares of which are held in accordance with paragraph 2, an explanation of the votes, and the ratio of proposals put forward by the administrative or management body of the company which the investment firm has approved; and
- c an explanation of the use of proxy advisor firms;
- d the voting guidelines regarding the companies the shares of which are held in accordance with paragraph 2.

The disclosure requirement referred to in point (b) of the first subparagraph shall not apply if the contractual arrangements of all shareholders represented by the investment firm at the shareholders' meeting do not authorise the investment firm to vote on their behalf unless express voting orders are given by the shareholders after receiving the meeting's agenda.

2 The investment firm referred to in paragraph 1 shall comply with that paragraph only in respect of each company whose shares are admitted to trading on a regulated market and only in respect of those shares to which voting rights are attached, where the proportion of voting rights that the investment firm directly or indirectly holds exceeds the threshold of 5 % of all voting rights attached to the shares issued by the company. Voting rights shall be calculated on the basis of all shares to which voting rights are attached, even if the exercise of those voting rights is suspended.

3 EBA, in consultation with ESMA, shall develop draft regulatory technical standards to specify templates for disclosure under paragraph 1.

EBA shall submit those draft regulatory technical standards to the Commission by 26 June 2021.

Power is delegated to the Commission to supplement this Regulation by adopting the regulatory technical standards referred to in the first subparagraph in accordance with Article 10 to 14 of Regulation (EU) No 1093/2010.

#### *Article 53*

### **Environmental, social and governance risks**

From 26 December 2022, investment firms which do not meet the criteria referred to in Article 32(4) of Directive (EU) 2019/2034 shall disclose information on environmental,

social and governance risks, including physical risks and transition risks, as defined in the report referred to in Article 35 of Directive (EU) 2019/2034.

The information referred to in the first paragraph shall be disclosed once in the first year and biannually thereafter.

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*Status: This is the original version (as it was originally adopted).*

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- (1) Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation) (OJ L 119, 4.5.2016, p. 1).