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AMENDMENTS

37 - 120

Draft opinion
Kostas Chrysogonos
(PE621.063v01-00)

Prudential supervision of investment firms

Proposal for a directive
(COM(2017)0791 – C8-0452/2017 – 2017/0358(COD))

AM_Com_LegOpinion

Amendment 37

Daniel Buda

Proposal for a directive

Recital 2

Text proposed by the Commission

(2) The existing prudential regimes under Regulation (EU) No 575/2013 and Directive 2013/36/EU are largely based on successive iterations of the international regulatory standards set for large banking groups by the Basel Committee on Banking Supervision and only partially address the specific risks inherent to the diverse activities of investment firms. The specific vulnerabilities and risks inherent to investment firms should therefore be further addressed by means of appropriate and proportionate prudential arrangements at Union level.

Amendment

(2) The existing prudential regimes under Regulation (EU) No 575/2013 and Directive 2013/36/EU are largely based on successive iterations of the international regulatory standards set for large banking groups by the Basel Committee on Banking Supervision and only partially address the specific risks inherent to the diverse activities of investment firms. The specific vulnerabilities and risks inherent to investment firms should therefore be further addressed by means of ***effective, appropriate and proportionate prudential arrangements at Union level, helping to provide a level playing field across the EU and guaranteeing effective prudential supervision, while keeping compliance costs in check and ensuring sufficient capital for the risks of most investment firms.***

Or. ro

Amendment 38

Daniel Buda

Proposal for a directive

Recital 3

Text proposed by the Commission

(3) Sound prudential supervision should ensure that investment firms are managed in an orderly way and in the best interests of their clients. They should take into account the potential for investment

Amendment

(3) Sound prudential supervision should ensure that investment firms are managed in an orderly way and in the best interests of their clients. They should take into account the potential for investment

firms and their clients to engage in excessive risk-taking and the different degrees of risk assumed and posed by investment firms. Equally, such prudential supervision should aim to avoid undue administrative **burden** on investment firms.

firms and their clients to engage in excessive risk-taking and the different degrees of risk assumed and posed by investment firms. Equally, such prudential supervision should aim to avoid undue administrative **and compliance burdens** on investment firms. *At the same time, these requirements should make it possible to strike a balance between ensuring the safety and soundness of different investment companies and avoiding excessive costs that might undermine the viability of their business activity.*

Or. ro

Amendment 39 **Sajjad Karim**

Proposal for a directive **Recital 3**

Text proposed by the Commission

(3) Sound prudential supervision should ensure that investment firms are managed in an orderly way and in the best interests of their clients. They should take into account the potential for investment firms and their clients to engage in excessive risk-taking and the different degrees of risk assumed and posed by investment firms. Equally, such prudential supervision should **aim to** avoid **undue** administrative **burden** on investment firms.

Amendment

(3) Sound prudential supervision should ensure that investment firms are managed in an orderly way and in the best interests of their clients. They should take into account the potential for investment firms and their clients to engage in excessive risk-taking and the different degrees of risk assumed and posed by investment firms. Equally, such prudential supervision should avoid **disproportionate** administrative **burdens** on investment firms.

Or. en

Amendment 40 **Mady Delvaux**

Proposal for a directive **Recital 4**

Text proposed by the Commission

(4) Many of the requirements that stem from Regulation (EU) No 575/2013 and Directive 2013/36/EU framework are designed to address common risks faced by credit institutions. Accordingly, the existing requirements are largely calibrated to preserve the lending capacity of credit institutions through economic cycles and to protect depositors and taxpayers from possible failure, and are not designed to address the different risk-profiles of investment firms. Investment firms do not have large portfolios of retail and corporate loans and do not take deposits. The likelihood that their failure can have detrimental impacts for overall financial stability is lower than in the case of credit institutions. The risks faced and posed by investment firms are thus substantially different to the risks faced and posed by credit institutions and such difference should be clearly reflected in the prudential framework of the Union.

Amendment

(4) Many of the requirements that stem from Regulation (EU) No 575/2013 and Directive 2013/36/EU framework are designed to address common risks faced by credit institutions. Accordingly, the existing requirements are largely calibrated to preserve the lending capacity of credit institutions through economic cycles and to protect depositors and taxpayers from possible failure, and are not designed to address the different risk-profiles of investment firms. Investment firms do not have large portfolios of retail and corporate loans and do not take deposits. The likelihood that their failure can have detrimental impacts for overall financial stability is lower than in the case of credit institutions, ***but they still pose a risk which has to be addressed through a robust framework***. The risks faced and posed by investment firms are thus substantially different to the risks faced and posed by credit institutions and such difference should be clearly reflected in the prudential framework of the Union.

Or. en

Amendment 41

Răzvan Popa

Proposal for a directive

Recital 4

Text proposed by the Commission

(4) Many of the requirements that stem from Regulation (EU) No 575/2013 and Directive 2013/36/EU framework are designed to address common risks faced by credit institutions. Accordingly, the existing requirements are largely calibrated to preserve the lending capacity of credit

Amendment

(4) Many of the requirements that stem from Regulation (EU) No 575/2013 and Directive 2013/36/EU ***of the European Parliament and of the Council*** framework are designed to address common risks faced by credit institutions. Accordingly, the existing requirements are largely

institutions through economic cycles and to protect depositors and taxpayers from possible failure, and are not designed to address the different risk-profiles of investment firms. Investment firms do not have large portfolios of retail and corporate loans and do not take deposits. The likelihood that their failure can have detrimental impacts for overall financial stability is lower than in the case of credit institutions. The risks faced and posed by investment firms are thus substantially different to the risks faced and posed by credit institutions and such difference should be clearly reflected in the prudential framework of the Union.

calibrated to preserve the lending capacity of credit institutions through economic cycles and to protect depositors and taxpayers from possible failure, and are not designed to address the different risk-profiles of investment firms. Investment firms do not have large portfolios of retail and corporate loans and do not take deposits. The likelihood that their failure can have detrimental impacts for overall financial stability is lower than in the case of credit institutions. The risks faced and posed by investment firms are thus substantially different to the risks faced and posed by credit institutions and such difference should be clearly reflected in the prudential framework of the Union.

Or. en

Amendment 42

Daniel Buda

Proposal for a directive

Recital 5

Text proposed by the Commission

(5) Differences in the application of the existing framework in different Member States threaten the level playing-field for investment firms within the Union. Those differences stem from the overall complexity of the application of the framework to different investment firms based on the services they provide, where some national authorities adjust or streamline such application in national law or practice. Given that the existing prudential framework does not address all the risks faced and posed by some types of investment firms, large capital add-ons have been applied to certain investment firms in some Member States. Uniform provisions addressing those risks should be established in order to ensure harmonised

Amendment

(5) Differences in the application of the existing framework in different Member States threaten the level playing-field for investment firms within the Union, ***hampering investors' access to new opportunities and better ways of managing their risks***. Those differences stem from the overall complexity of the application of the framework to different investment firms based on the services they provide, where some national authorities adjust or streamline such application in national law or practice. Given that the existing prudential framework does not address all the risks faced and posed by some types of investment firms, large capital add-ons have been applied to certain investment firms in some Member

prudential supervision of investment firms across the Union.

States. Uniform provisions addressing those risks should be established in order to ensure harmonised prudential supervision of investment firms across the Union.

Or. ro

Amendment 43
Răzvan Popa

Proposal for a directive
Recital 5

Text proposed by the Commission

(5) Differences in the application of the existing framework in different Member States threaten the level playing-field for investment firms within the Union. Those differences stem from the overall complexity of the application of the framework to different investment firms based on the services they provide, where some national authorities adjust or streamline such application in national law or practice. Given that the existing prudential framework does not address all the risks faced and posed by some types of investment firms, large capital add-ons have been applied to certain investment firms in some Member States. Uniform provisions addressing those risks should be established in order to ensure harmonised prudential supervision of investment firms across the Union.

Amendment

(5) Differences in the application of the existing framework in different Member States threaten the level playing-field for investment firms within the Union. Those differences stem from the overall complexity of the application of the framework to different investment firms based on the services they provide, where some national authorities adjust or streamline such application in national law or practice. Given that the existing prudential framework does not address all the risks faced and posed by some types of investment firms, large capital add-ons have been applied to certain investment firms in some Member States. Uniform provisions addressing those risks should be established in order to ensure *clear* harmonised prudential supervision of investment firms across the Union.

Or. en

Amendment 44
Răzvan Popa

Proposal for a directive
Recital 7

Text proposed by the Commission

(7) There may be Member States in which the authorities competent for the prudential supervision of investment firms are different from the authorities that are competent for the supervision of market conduct. It is therefore necessary to create a mechanism of cooperation and exchange of information between those authorities.

Amendment

(7) There may be Member States in which the authorities competent for the prudential supervision of investment firms are different from the authorities that are competent for the supervision of market conduct. It is therefore necessary to create a mechanism of cooperation and exchange of information between those authorities ***in order to ensure harmonised prudential supervision of investment firms across the European Union.***

Or. en

Amendment 45

Daniel Buda

Proposal for a directive

Recital 7

Text proposed by the Commission

(7) There may be Member States in which the authorities competent for the prudential supervision of investment firms are different from the authorities that are competent for the supervision of market conduct. It is therefore necessary to create a mechanism of cooperation and exchange of information between those authorities.

Amendment

(7) There may be Member States in which the authorities competent for the prudential supervision of investment firms are different from the authorities that are competent for the supervision of market conduct. It is therefore necessary to create a mechanism of cooperation and exchange of information between those authorities ***and ensure that it functions promptly and efficiently.***

Or. ro

Amendment 46

Răzvan Popa

Proposal for a directive

Recital 9

Text proposed by the Commission

(9) The required level of initial capital of an investment firm should be based on the services and activities which that investment firm is authorised to provide, and respectively perform, according to Directive 2004/39/EC. The possibility for Member States to lower the required level of initial capital in specific situations, as provided for in Directive 2013/36/EU, on the one hand, and the situation of uneven implementation of that Directive, on the other hand, have led to a situation where the required level of initial capital diverges across the Union. To end that fragmentation, the required level of initial capital should be harmonised.

Amendment

(9) The required level of initial capital of an investment firm should be based on the services and activities which that investment firm is authorised to provide, and respectively perform, according to Directive 2004/39/EC ***of the European Parliament and of the Council***. The possibility for Member States to lower the required level of initial capital in specific situations, as provided for in Directive 2013/36/EU ***of the European Parliament and of the Council***, on the one hand, and the situation of uneven implementation of that Directive, on the other hand, have led to a situation where the required level of initial capital diverges across the Union. To end that fragmentation, the required level of initial capital should be harmonised ***accordingly for all investment firms in the European Union***.

Or. en

Amendment 47

Răzvan Popa

Proposal for a directive

Recital 11

Text proposed by the Commission

(11) The proper functioning of the internal market requires that the responsibility for supervising the financial soundness of an investment firm, and in particular its solvency, lies with the competent authority of its home Member State. To achieve an effective supervision of investment firms also in other Member States where they provide services or have a branch, close cooperation with the competent authorities of these Member States should be ensured.

Amendment

(11) The proper functioning of the internal market requires that the responsibility for supervising the financial soundness of an investment firm, and in particular its solvency, lies with the competent authority of its home Member State. To achieve an effective supervision of investment firms also in other Member States where they provide services or have a branch, close cooperation ***and exchange of information*** with the competent authorities of these Member States should be ensured.

Amendment 48
Daniel Buda

Proposal for a directive
Recital 12

Text proposed by the Commission

(12) For informational and supervisory purposes, and in particular to ensure the stability of the financial system, competent authorities of host Member States should be able to carry out, on a case-by-case basis, on-the-spot checks, inspect the activities of branches of investment firms on their territory and require information about the activities of those branches. Supervisory measures for those branches should however remain the responsibility of the home Member State.

Amendment

(12) For informational and supervisory purposes, and in particular to ensure the stability **and security** of the financial system, competent authorities of host Member States should be able to carry out, on a case-by-case basis, on-the-spot checks, inspect the activities of branches of investment firms on their territory and require information about the activities of those branches. Supervisory measures for those branches should however remain the responsibility of the home Member State.

Or. ro

Amendment 49
Răzvan Popa

Proposal for a directive
Recital 13

Text proposed by the Commission

(13) To protect commercially sensitive information, competent authorities should be **bound by** rules of professional secrecy when conducting their supervisory tasks and when exchanging confidential information.

Amendment

(13) To protect commercially sensitive information, competent authorities should be **constrained by** rules of professional secrecy when conducting their supervisory tasks and when exchanging confidential information.

Or. en

Amendment 50

Sajjad Karim

**Proposal for a directive
Recital 16**

Text proposed by the Commission

(16) To safeguard compliance with the obligations laid down in this Directive and [Regulation (EU) ---/---[IFR], Member States should provide for administrative penalties and other administrative measures which are effective, proportionate and dissuasive. In order to ensure that administrative penalties have a dissuasive effect they should be published except in certain well-defined circumstances. To enable clients and investors to make an informed decision about their investment options, those clients and investors should have access to information on administrative penalties and measures imposed on investment firms.

Amendment

(16) To safeguard compliance with the obligations laid down in this Directive and [Regulation (EU) ---/---[IFR], Member States should provide for administrative penalties and other administrative measures which are effective, proportionate and dissuasive. In order to ensure that administrative penalties have a dissuasive effect they should be published except in certain well-defined **and justified** circumstances. To enable clients and investors to make an informed decision about their investment options, those clients and investors should have access to information on administrative penalties and measures imposed on investment firms.

Or. en

**Amendment 51
Daniel Buda**

**Proposal for a directive
Recital 17**

Text proposed by the Commission

(17) To detect breaches of national provisions transposing this Directive and breaches of [Regulation (EU)---/---[IFR], Member States should have the necessary investigatory powers and should establish effective mechanisms to report potential or actual breaches.

Amendment

(17) To detect breaches of national provisions transposing this Directive and breaches of [Regulation (EU)---/---[IFR], Member States should have the necessary investigatory powers and should establish effective **and rapid** mechanisms to report potential or actual breaches.

Or. ro

Amendment 52
Răzvan Popa

Proposal for a directive
Recital 18

Text proposed by the Commission

(18) Investment firms should have internal capital which is adequate in quantity, quality and distribution to cover the specific risks to which they are or may be exposed. Competent authorities should ensure that investment firms have the adequate strategies and processes in place to **asses and** maintain the adequacy of their internal capital.

Amendment

(18) Investment firms should have internal capital **available**, which is adequate in quantity, quality and distribution to cover the specific risks to which they are or may be exposed. Competent authorities should ensure that investment firms have the adequate strategies and processes in place to **asses and** maintain the adequacy of their internal capital.

Or. en

Amendment 53
Răzvan Popa

Proposal for a directive
Recital 20

Text proposed by the Commission

(20) To align remuneration with the risk profile of investment firms and to guarantee a level-playing field, investment firms should be subject to clear principles on corporate governance arrangements and rules on remuneration that take into account the differences between credit institutions and investment firms. Small and non-interconnected investment firms should however be exempted from those rules because the provisions on remuneration and corporate governance under Directive 2014/65/EU are sufficiently comprehensive for those types of firms.

Amendment

(20) To align remuneration with the risk profile of investment firms and to guarantee a level-playing field, investment firms should be subject to clear principles on corporate governance arrangements and rules on remuneration that take into account the differences between credit institutions and investment firms. Small and non-interconnected investment firms should however be exempted from those rules because the provisions on remuneration and corporate governance under Directive 2014/65/EU **of the European Parliament and of the Council** are sufficiently comprehensive for those types of firms.

Amendment 54
Mady Delvaux

Proposal for a directive
Recital 20

Text proposed by the Commission

(20) To align remuneration with the risk profile of investment firms and to guarantee a level-playing field, investment firms should be subject to clear principles on corporate governance arrangements and rules on remuneration that take into account the differences between credit institutions and investment firms. Small and non-interconnected investment firms should however be exempted from those rules because the provisions on remuneration and corporate governance under Directive 2014/65/EU are sufficiently comprehensive for those types of firms.

Amendment

(20) To align remuneration with the risk profile of investment firms and to guarantee a level-playing field, investment firms should be subject to clear principles on corporate governance arrangements and rules on remuneration ***that are gender neutral and*** that take into account the differences between credit institutions and investment firms. Small and non-interconnected investment firms should however be exempted from those rules because the provisions on remuneration and corporate governance under Directive 2014/65/EU are sufficiently comprehensive for those types of firms.

Amendment 55
Daniel Buda

Proposal for a directive
Recital 24

Text proposed by the Commission

(24) In response to the growing public demand for tax transparency and to promote investment firms' corporate responsibility, it is appropriate to require that investment firms disclose certain information, including information on profits made, taxes paid and any public subsidies received.

Amendment

Deleted

Amendment 56

Răzvan Popa

Proposal for a directive

Recital 24

Text proposed by the Commission

(24) In response to the growing public demand for tax transparency and to promote investment firms' corporate responsibility, it is appropriate to require that investment firms disclose certain information, including information on profits made, taxes paid and any public subsidies received.

Amendment

(24) In response to the growing public demand for tax transparency and to promote investment firms' corporate responsibility, it is appropriate to require that investment firms disclose ***on a yearly basis*** certain information, including information on profits made, taxes paid and any public subsidies received.

Or. en

Amendment 57

Mady Delvaux

Proposal for a directive

Article 4 – paragraph 1

Text proposed by the Commission

1. Member States shall designate one or more competent authorities that carry out the functions and duties provided for in this Directive. The Member States shall inform the Commission ***and EBA*** of that designation, and where there is more than one competent authority, of the functions and duties of each competent authority.

Amendment

1. Member States shall designate one or more competent authorities that carry out the functions and duties provided for in this Directive. The Member States shall inform the Commission, ***EBA and ESMA*** of that designation, and where there is more than one competent authority, of the functions and duties of each competent authority.

Or. en

Amendment 58

Răzvan Popa

Proposal for a directive

Article 6 – paragraph 2 – point a

Text proposed by the Commission

(a) competent authorities, as parties to the ESFS, cooperate with trust and full mutual respect, in particular when ensuring the flow of appropriate **and** reliable information between them and other parties to the ESFS;

Amendment

(a) competent authorities, as parties to the ESFS, cooperate with trust and full mutual respect, in particular when ensuring the flow of appropriate, reliable **and comprehensive** information between them and other parties to the ESFS;

Or. en

Amendment 59

Sajjad Karim

Proposal for a directive

Article 6 – paragraph 2 – point c

Text proposed by the Commission

(c) competent authorities make every effort to **comply** with the guidelines and recommendations issued by EBA pursuant to Article 16 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council³⁸ and to respond to the warnings and recommendations issued by the European Systemic Risk Board (ESRB) pursuant to Article 16 of Regulation (EU) No 1092/2010 of the European Parliament and of the Council³⁹ ;

Amendment

(c) competent authorities make every effort to **ensure compliance** with the guidelines and recommendations issued by EBA pursuant to Article 16 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council³⁸ and to respond to the warnings and recommendations issued by the European Systemic Risk Board (ESRB) pursuant to Article 16 of Regulation (EU) No 1092/2010 of the European Parliament and of the Council³⁹ ;

³⁸ 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).

³⁹ Regulation (EU) No 1092/2010 of the

³⁸ 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).

³⁹ Regulation (EU) No 1092/2010 of the

European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (OJ L 331, 15.12.2010, p. 1).

European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (OJ L 331, 15.12.2010, p. 1).

Or. en

Amendment 60 **Răzvan Popa**

Proposal for a directive **Article 6 – paragraph 2 – point c**

Text proposed by the Commission

(c) competent authorities ***make every effort*** to comply with the guidelines and recommendations issued by EBA pursuant to Article 16 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council³⁸ and to respond to the warnings and recommendations issued by the European Systemic Risk Board (ESRB) pursuant to Article 16 of Regulation (EU) No 1092/2010 of the European Parliament and of the Council³⁹ ;

³⁸ 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).

³⁹ Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (OJ L 331, 15.12.2010, p. 1).

Amendment

(c) competent authorities ***have to*** comply with the guidelines and recommendations issued by EBA pursuant to Article 16 of Regulation (EU) No 1093/2010 of the European Parliament and of the Council³⁸ and to respond to the warnings and recommendations issued by the European Systemic Risk Board (ESRB) pursuant to Article 16 of Regulation (EU) No 1092/2010 of the European Parliament and of the Council³⁹ ;

³⁸ 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).

³⁹ Regulation (EU) No 1092/2010 of the European Parliament and of the Council of 24 November 2010 on European Union macro-prudential oversight of the financial system and establishing a European Systemic Risk Board (OJ L 331, 15.12.2010, p. 1).

Amendment 61
Sajjad Karim

Proposal for a directive
Article 8 – paragraph 4

Text proposed by the Commission

4. The Commission shall update, by **means of** implementing acts, the amount of initial capital referred to in paragraphs 1 to 3 of this Article to take account of developments in the economic and monetary field. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

Amendment

4. The Commission shall update, by implementing acts, the amount of initial capital referred to in paragraphs 1 to 3 of this Article to take account of developments in the economic and monetary field. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 56(2).

Amendment 62
Daniel Buda

Proposal for a directive
Article 11 – paragraph 2

Text proposed by the Commission

2. The competent authorities of the home Member State shall immediately provide the competent authorities of the host Member State with any information and findings about any potential problems and risks posed by an investment firm to the protection of clients or the stability of the financial system in the host Member State which they have identified when supervising the activities of an investment firm.

Amendment

2. The competent authorities of the home Member State shall immediately provide the competent authorities of the host Member State with any information and findings about any potential problems and risks posed by an investment firm to the protection of clients or the stability **or security** of the financial system in the host Member State which they have identified when supervising the activities of an investment firm.

Amendment 63
Daniel Buda

Proposal for a directive
Article 11 – paragraph 4

Text proposed by the Commission

4. Where, following the communication of the information and findings referred to in paragraph 2, the competent authorities of the host Member State consider that the competent authorities of the home Member State have not taken the necessary measures referred to in paragraph 3, the competent authorities of the host Member State may, after having informed the competent authorities of the home Member State and EBA, take appropriate measures to protect clients to whom services are provided and to protect the stability of the financial system.

Amendment

4. Where, following the communication of the information and findings referred to in paragraph 2, the competent authorities of the host Member State consider that the competent authorities of the home Member State have not taken the necessary measures referred to in paragraph 3, the competent authorities of the host Member State may, after having informed ***without delay*** the competent authorities of the home Member State and EBA, take appropriate measures to protect clients to whom services are provided and to protect the stability ***and security*** of the financial system.

Or. ro

Amendment 64
Răzvan Popa

Proposal for a directive
Article 11 – paragraph 5

Text proposed by the Commission

5. Competent authorities of the home Member State that disagree with the measures of the competent authorities of the host Member State may refer the matter to EBA, which shall act in accordance with the procedure laid down in Article 19 of Regulation (EU) No 1093/2010. Where EBA acts in accordance with that Article, it shall adopt its decision ***within*** one month.

Amendment

5. Competent authorities of the home Member State that disagree with the measures of the competent authorities of the host Member State may refer the matter to EBA, which shall act in accordance with the procedure laid down in Article 19 of Regulation (EU) No 1093/2010. Where EBA acts in accordance with that Article, it shall adopt its decision ***as early as possible and no later than*** one month.

Amendment 65
Sajjad Karim

Proposal for a directive
Article 11 – paragraph 8

Text proposed by the Commission

8. EBA shall submit the draft technical standards referred to in paragraphs 6 and 7 to the Commission by [*nine* months from the date of entry into force of this Directive].

Amendment

8. EBA shall submit the draft technical standards referred to in paragraphs 6 and 7 to the Commission by [*ten* months from the date of entry into force of this Directive].

Amendment 66
Daniel Buda

Proposal for a directive
Article 12 – paragraph 2 – subparagraph 1

Text proposed by the Commission

The competent authorities of the host Member State shall, for supervisory purposes and where they consider it relevant for reasons of stability of the financial system in the host Member State, have the power to carry out, on a case-by-case basis, on-the-spot checks and inspections of the activities carried out by branches of investment firms on their territory and require information from a branch about its activities.

Amendment

The competent authorities of the host Member State shall, for supervisory purposes and where they consider it relevant for reasons of stability *or security* of the financial system in the host Member State, have the power to carry out, on a case-by-case basis, on-the-spot checks and inspections of the activities carried out by branches of investment firms on their territory and require information from a branch about its activities.

Amendment 67
Daniel Buda

Proposal for a directive

Article 12 – paragraph 2 – subparagraph 2

Text proposed by the Commission

Before carrying out those checks and inspections, the competent authorities of the host Member State shall consult the competent authorities of the home Member State.

Amendment

Before carrying out those checks and inspections, the competent authorities of the host Member State shall, ***without delay***, consult the competent authorities of the home Member State.

Or. ro

Amendment 68

Daniel Buda

Proposal for a directive

Article 12 – paragraph 2 – subparagraph 3

Text proposed by the Commission

After the completion of those checks and inspections, the competent authorities of the host Member State shall communicate to the competent authorities of the home Member State the information that is relevant for the risk assessment of the investment firm concerned.

Amendment

As soon as possible following completion of those checks and inspections, the competent authorities of the host Member State shall communicate to the competent authorities of the home Member State the information that is relevant for the risk assessment of the investment firm concerned.

Or. ro

Amendment 69

Sajjad Karim

Proposal for a directive

Article 13 – paragraph 4

Text proposed by the Commission

4. Competent authorities may exchange confidential information for the purposes of paragraph 2, may expressly state how that information is to be treated and may ***expressly*** restrict any further

Amendment

4. Competent authorities may exchange confidential information for the purposes of paragraph 2, may expressly state how that information is to be treated and may restrict any further transmission

transmission of that information.

of that information.

Or. en

Amendment 70

Mady Delvaux

Proposal for a directive

Article 16 – paragraph 1 – subparagraph 3

Text proposed by the Commission

The administrative penalties and other administrative measures shall be effective, proportionate and dissuasive.

Amendment

The administrative penalties and other administrative measures shall be effective, proportionate and dissuasive **and Member States shall apply a harmonised set of penalties for similar offences to avoid treaty shopping.**

Or. en

Amendment 71

Mady Delvaux

Proposal for a directive

Article 16 – paragraph 2 – subparagraph 1 – point d

Text proposed by the Commission

(d) in case of a legal person, administrative pecuniary penalties of up to **10%** of the total annual net turnover, including the gross income consisting of interest receivable and similar income, income from shares and other variable or fixed-yield securities, and commissions or fees of the undertaking in the preceding business year;

Amendment

(d) in case of a legal person, administrative pecuniary penalties of up to **15%** of the total annual net turnover, including the gross income consisting of interest receivable and similar income, income from shares and other variable or fixed-yield securities, and commissions or fees of the undertaking in the preceding business year;

Or. en

Amendment 72

Sajjad Karim

Proposal for a directive

Article 16 – paragraph 2 – subparagraph 1 – point d

Text proposed by the Commission

Amendment

(d) in case of **a** legal **person**, administrative pecuniary penalties of up to 10% of the total annual net turnover, including the gross income consisting of interest receivable and similar income, income from shares and other variable or fixed-yield securities, and commissions or fees of the undertaking in the preceding business year;

(d) in case of legal **persons**, administrative pecuniary penalties of up to 10% of the total annual net turnover, including the gross income consisting of interest receivable and similar income, income from shares and other variable or fixed-yield securities, and commissions or fees of the undertaking in the preceding business year;

Or. en

Amendment 73

Mady Delvaux

Proposal for a directive

Article 16 – paragraph 2 – subparagraph 1 – point e

Text proposed by the Commission

Amendment

(e) in the case of a legal person, administrative pecuniary penalties of up to **twice** the amount of the profits gained or losses avoided due to the breach where those profits or losses can be determined;

(e) in the case of a legal person, administrative pecuniary penalties of up to **three times** the amount of the profits gained or losses avoided due to the breach where those profits or losses can be determined;

Or. en

Amendment 74

Sajjad Karim

Proposal for a directive

Article 16 – paragraph 2 – subparagraph 1 – point e

Text proposed by the Commission

Amendment

(e) in the case of **a** legal **person**,

(e) in the case of legal **persons**,

administrative pecuniary penalties of up to twice the amount of the profits gained or losses avoided due to the breach where those profits or losses can be determined;

administrative pecuniary penalties of up to twice the amount of the profits gained or losses avoided due to the breach where those profits or losses can be determined;

Or. en

Amendment 75
Mady Delvaux

Proposal for a directive
Article 17 – paragraph 1 – point b – point iv

Text proposed by the Commission

(iv) to interview any other person *who consents to be interviewed* for the purposes of collecting information on the subject matter of an investigation;

Amendment

(iv) to interview any other *relevant* person for the purposes of collecting information on the subject matter of an investigation;

Or. en

Amendment 76
Mady Delvaux

Proposal for a directive
Article 18 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that competent authorities publish on their official website any administrative penalties and measures imposed in accordance with Article 16 and which has not been appealed or can no longer be appealed, without undue delay. That publication shall include information on the type and nature of the breach and the identity of the natural or legal person on whom the penalty is imposed or against whom the measure is taken. The information shall only be published after that person has been informed of those

Amendment

1. Member States shall ensure that competent authorities publish on their official website any administrative penalties and measures imposed in accordance with Article 16 and which has not been appealed or can no longer be appealed, without undue delay. That publication shall include information on the type and nature of the breach and the identity of the natural or legal person on whom the penalty is imposed or against whom the measure is taken. The information shall only be published after that person has been informed of those

penalties or measures and to the extent the publication is necessary and proportionate.

penalties or measures and to the extent the publication is necessary and proportionate.

Competent authorities shall ensure that the same information is published on the official website of the investment firm concerned.

Or. en

Amendment 77
Mady Delvaux

Proposal for a directive
Article 18 – paragraph 2

Text proposed by the Commission

2. Where Member States permit the publication of administrative penalties or measures imposed in accordance with Article 16 against which there has been an appeal, competent authorities shall also publish on their official website information on the appeal status and on the outcome of the appeal.

Amendment

2. Where Member States permit the publication of administrative penalties or measures imposed in accordance with Article 16 against which there has been an appeal, competent authorities shall also publish on their official website information on the appeal status and on the outcome of the appeal. ***Competent authorities shall ensure that the same information is published on the official website of the investment firm concerned.***

Or. en

Amendment 78
Mady Delvaux

Proposal for a directive
Article 19 – paragraph 1

Text proposed by the Commission

Competent authorities shall inform EBA of administrative penalties and measures imposed pursuant to Article 16, of any appeal against those penalties and measures and of the outcome thereof. EBA

Amendment

Competent authorities shall inform EBA of administrative penalties and measures imposed pursuant to Article 16, of any appeal against those penalties and measures and of the outcome thereof. EBA

shall maintain a central database of administrative penalties and measures communicated to it solely for the purpose of exchanging information between competent authorities. That database shall be accessible to competent authorities **only** and it shall be updated regularly.

shall maintain a central database of administrative penalties and measures communicated to it solely for the purpose of exchanging information between competent authorities. That database shall be accessible to competent authorities **and ESMA**, and it shall be updated regularly, **at least on a quarterly basis**.

Or. en

Amendment 79

Sajjad Karim

Proposal for a directive

Article 23 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Member States shall ensure that investment firms subject to this Section implement the requirements of this Section in their subsidiaries that are financial institutions as defined in Article 4(13) of [Regulation (EU) ---/----[IFR], including those established in third countries, unless the parent undertaking in the Union **can demonstrate** to the competent authorities that the application of this Section is unlawful under the laws of the third country where those subsidiaries are established.

Amendment

Member States shall ensure that investment firms subject to this Section implement the requirements of this Section in their subsidiaries that are financial institutions as defined in Article 4(13) of [Regulation (EU) ---/----[IFR], including those established in third countries, unless the parent undertaking in the Union **demonstrates** to the competent authorities that the application of this Section is unlawful under the laws of the third country where those subsidiaries are established.

Or. en

Amendment 80

Daniel Buda

Proposal for a directive

Article 25

Text proposed by the Commission

Article 25

Amendment

Deleted

Country-by-country reporting

1. Member States shall require investment firms to disclose by Member State and by third country in which the investment firm has a branch or a subsidiary that is a financial institution as defined in Article 4(1)(26) of Regulation (EU) No 575/2013, the following information on an annual basis:

(a) the name, nature of activities and location of any subsidiaries and branches;

(b) the turnover;

(c) the number of employees on a full time equivalent basis;

(d) the profit or loss before tax;

(e) the tax on profit or loss;

(f) the public subsidies received.

2. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC and, where possible, shall be annexed to the annual financial statements or, where applicable, to the consolidated financial statements of that investment firm.

Or. ro

Amendment 81 Evelyn Regner

Proposal for a directive Article 25 – paragraph 1 – point a

Text proposed by the Commission

(a) the name, ***nature of activities and location of any*** subsidiaries and branches;

Amendment

(a) the name ***of the ultimate undertaking and, where applicable, the list of all its*** subsidiaries and branches, ***a brief description of the nature of their activities and their respective geographical location;***

Amendment 82
Evelyn Regner

Proposal for a directive
Article 25 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(fa) stated capital;

Or. en

Amendment 83
Evelyn Regner

Proposal for a directive
Article 25 – paragraph 1 – point f b (new)

Text proposed by the Commission

Amendment

(fb) whether undertakings, subsidiaries or branches benefit from a preferential tax treatment, licences or equivalent regimes;

Or. en

Amendment 84
Evelyn Regner

Proposal for a directive
Article 25 – paragraph 1 – point f c (new)

Text proposed by the Commission

Amendment

(fc) the amount of the net turnover, including a distinction between the turnover made with related parties and the turnover made with unrelated parties;

Amendment 85
Evelyn Regner

Proposal for a directive
Article 25 – paragraph 2

Text proposed by the Commission

2. The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC and, where possible, shall be annexed to the annual financial statements or, where applicable, to the consolidated financial statements of that investment firm.

Amendment

2. ***The information referred to in paragraph 1 shall be reported separately for each Member State in accordance with Directive 2013/34/EU.*** The information referred to in paragraph 1 shall be audited in accordance with Directive 2006/43/EC and, where possible, shall be annexed to the annual financial statements or, where applicable, to the consolidated financial statements of that investment firm.

Amendment 86
Mady Delvaux

Proposal for a directive
Article 26 – paragraph 4 – subparagraph 1

Text proposed by the Commission

Member States shall determine which investment firms are considered significant in terms of their size, internal organisation and the nature, scope and complexity of their activities. Member States shall require ***those*** firms to establish a risk committee composed of members of the management body who do not perform any executive function in the investment firm concerned.

Amendment

Member States shall require ***all*** firms ***which do not fall under the criteria defined in Article 30(4)(a)*** to establish a risk committee composed of members of the management body who do not perform any executive function in the investment firm concerned.

Justification

This amendment intends to simplify the framework: if this amendment is accepted, there is only 1 possible subdivision of class 2 (threshold of EUR 100 million balance sheet). Furthermore, it should limit the discretion of national authorities and thereby guarantee a level playing field and legal certainty.

Amendment 87

Mady Delvaux

Proposal for a directive

Article 26 – paragraph 4 – subparagraph 2

Text proposed by the Commission

Members of the risk committee referred to in the first subparagraph shall have appropriate knowledge, skills and expertise to fully understand, manage and monitor the risk strategy and the risk appetite of the investment firm. They shall ensure that the risk committee advises the management body on the investment firm's overall current and future risk appetite and strategy and assists the management body in overseeing the implementation of that strategy by senior management. The management body shall retain overall responsibility for the firm's risk strategies and policies.

Amendment

Members of the risk committee referred to in the first subparagraph shall have appropriate knowledge, skills and expertise to fully understand, manage and monitor the risk strategy and the risk appetite of the investment firm. They shall ensure that the risk committee advises the management body on the investment firm's overall current and future risk appetite and strategy and assists the management body in overseeing the implementation of that strategy by senior management. The management body shall retain overall responsibility for the firm's risk strategies and policies. ***Investment firms shall aim at a gender balance in their risk committees.***

Or. en

Amendment 88

Mady Delvaux

Proposal for a directive

Article 28 – paragraph 1 – point a

Text proposed by the Commission

(a) the remuneration policy is clear ***and*** documented;

Amendment

(a) the remuneration policy is clear, documented ***and is gender neutral: same or similar type of jobs will be equally***

remunerated regardless of gender;

Or. en

Amendment 89

Mady Delvaux

Proposal for a directive

Article 28 – paragraph 1 – point i a (new)

Text proposed by the Commission

Amendment

(ia) the ratio of remuneration between an investment firm's employees and board members shall be proportionate;

Or. en

Amendment 90

Sajjad Karim

Proposal for a directive

Article 28 – paragraph 2

Text proposed by the Commission

Amendment

2. For the purposes of point (i) of paragraph 1, Member States shall ensure that investment firms set the appropriate ratios between the variable and the fixed component of the total remuneration in their remuneration policies, taking into account the business activities of the investment firm and associated risks, as well as the impact that different categories of individuals referred to in paragraph 1 have on the risk profile of the investment firm.

deleted

Or. en

Amendment 91

Mady Delvaux

**Proposal for a directive
Article 28 – paragraph 2 a (new)**

Text proposed by the Commission

Amendment

2a. For the purpose of point (ia), for those investment firms which do not comply with the criteria set in article 30(4)(a), Member States shall ensure that they set a maximum remuneration ratio and that investment firms shall apply it. The investment firm shall calculate its remuneration ratio as quotients of:

i) the remuneration received by each individual member of its board;

ii) and the median of the annual remuneration of all its employees with the exception of board members.

Or. en

**Amendment 92
Sajjad Karim**

**Proposal for a directive
Article 28 – paragraph 3**

Text proposed by the Commission

Amendment

3. Member States shall ensure that investment firms apply the principles referred to in paragraph 1 in a manner that is appropriate to their size **and** internal organisation and to the nature, the scope and complexity of their activities.

3. Member States shall ensure that investment firms apply the principles referred to in paragraph 1 in a manner that is **proportionate and** appropriate to their size, internal organisation and to the nature, the scope and complexity of their activities.

Or. en

**Amendment 93
Mady Delvaux**

Proposal for a directive
Article 29 – paragraph 1 – introductory part

Text proposed by the Commission

Member States shall ensure that where an investment firm benefits from extraordinary public financial support as defined to in Article 2(1)(28) of Directive 2014/59/EU, ***the following requirements apply:***

Amendment

Member States shall ensure that where an investment firm benefits from extraordinary public financial support as defined to in Article 2(1)(28) of Directive 2014/59/EU, ***it does not pay any variable remuneration.***

Or. en

Amendment 94
Mady Delvaux

Proposal for a directive
Article 29 – paragraph 1 – point a

Text proposed by the Commission

(a) ***where variable remuneration would be inconsistent with the maintenance of a sound capital base of an investment firm and its timely exit from extraordinary public financial support, variable remuneration of all staff shall be limited to a portion of net revenue;***

Amendment

deleted

Or. en

Amendment 95
Sajjad Karim

Proposal for a directive
Article 29 – paragraph 1 – point a

Text proposed by the Commission

(a) where variable remuneration would be inconsistent with the maintenance of a sound capital base of an investment firm and its timely exit from extraordinary

Amendment

(a) where variable remuneration would be inconsistent with the maintenance of a sound capital base of an investment firm and its timely exit from extraordinary

public financial support, variable remuneration of all staff shall be **limited** to a portion of net revenue;

public financial support, variable remuneration of all staff shall be **restricted** to a portion of net revenue;

Or. en

Amendment 96
Mady Delvaux

Proposal for a directive
Article 29 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) investment firms shall establish limits to the remuneration of the members of the management body of the investment firm;

deleted

Or. en

Amendment 97
Mady Delvaux

Proposal for a directive
Article 29 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) the investment firm shall only pay variable remuneration to members of the management body of the investment firm where such remuneration has been approved by the competent authority.

deleted

Or. en

Amendment 98
Mady Delvaux

Proposal for a directive
Article 29 – paragraph 2

Text proposed by the Commission

Amendment

For the purposes of point (c), competent authorities shall only approve payment of variable remuneration to members of the management body of the investment firm in exceptional circumstances.

deleted

Or. en

Amendment 99
Daniel Buda

Proposal for a directive
Article 30 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. Member States shall ensure that any variable remuneration awarded and paid by an investment firm complies with all of the following requirements:

1. Member States shall ensure that any variable remuneration awarded and paid by an investment firm ***to senior management, risk takers, staff engaged in control functions and for any employee receiving overall remuneration equal to at least the lowest remuneration received by senior management or risk takers and whose professional activities have a material impact on the risk profile of the investment firm***, complies with all of the following requirements:

Or. ro

Amendment 100
Sajjad Karim

Proposal for a directive
Article 30 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. Member States shall ensure that any variable remuneration awarded and paid by an investment firm ***complies with all of the***

1. Member States shall ensure that any variable remuneration awarded and paid by an investment firm ***is proportionate and***

following requirements:

*appropriate in relation to the nature, size
and complexity of their activities :*

Or. en

Amendment 101

Mady Delvaux

Proposal for a directive

Article 30 – paragraph 1 – point a

Text proposed by the Commission

(a) where variable remuneration is performance related, the total amount of variable remuneration shall be based on a combination of the assessment of the performance of the individual, of the business unit concerned and of the overall results of the investment firm;

Amendment

(a) where variable remuneration is performance related, the total amount of variable remuneration shall be based on a combination of the assessment of the performance of the individual, ***-regardless the gender-***, of the business unit concerned and of the overall results of the investment firm;

Or. en

Amendment 102

Mady Delvaux

Proposal for a directive

Article 30 – paragraph 1 – point j a (new)

Text proposed by the Commission

Amendment

(ja) as a derogation from point (j) in case an investment firm does not issue any of those instruments, national competent authorities can approve the use of alternative arrangements fulfilling the same objectives;

Or. en

Amendment 103

Sajjad Karim

Proposal for a directive
Article 30 – paragraph 1 – point k

Text proposed by the Commission

Amendment

(k) *at least 40% of the variable remuneration shall be deferred over a three to five year period as appropriate, depending on the business cycle of the investment firm, the nature of its business, its risks and the activities of the individual in question, except in the case of a variable remuneration of a particularly high amount where the proportion of the variable remuneration deferred is at least 60%;*

deleted

Or. en

Amendment 104
Mady Delvaux

Proposal for a directive
Article 30 – paragraph 1 – point k

Text proposed by the Commission

Amendment

(k) at least **40%** of the variable remuneration shall be deferred over a three to five year period as appropriate, depending on the business cycle of the investment firm, the nature of its business, its risks and the activities of the individual in question, except in the case of a variable remuneration of a particularly high amount where the proportion of the variable remuneration deferred is at least **60%**;

(k) at least **50%** of the variable remuneration shall be deferred over a three to five year period as appropriate, depending on the business cycle of the investment firm, the nature of its business, its risks and the activities of the individual in question, except in the case of a variable remuneration of a particularly high amount where the proportion of the variable remuneration deferred is at least **70%**;

Or. en

Amendment 105
Sajjad Karim

Proposal for a directive

Article 30 – paragraph 4 – subparagraph 1 – point a

Text proposed by the Commission

(a) an investment firm, the asset value of which is on average equal to or less than EUR **100 million** over the four-year period **immediately** preceding the given financial year;

Amendment

(a) an investment firm, the asset value of which is on average equal to or less than EUR **5 billion** over the four-year period preceding the given financial year;

Or. en

Amendment 106

Sajjad Karim

Proposal for a directive

Article 30 – paragraph 4 – subparagraph 1 – point b

Text proposed by the Commission

(b) an **individual** whose annual variable remuneration does not exceed EUR 50 000 and does not represent more than one fourth of **this individual's** total annual remuneration.

Amendment

(b) an **employee or staff member** whose annual variable remuneration does not exceed EUR 50 000 and does not represent more than one fourth of **their** total annual remuneration. ***For the purposes of this provision, and in line with the principles of subsidiarity and proportionality, Member States may modify the applicable thresholds in accordance with the national market, the specificities of national remuneration practices and the responsibilities and role of the relevant staff member or employee;***

Or. en

Amendment 107

Mady Delvaux

Proposal for a directive

Article 31 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that competent authorities have the necessary powers to guarantee that investment firms which ***are determined as significant in accordance with Article 26(4)*** establish a remuneration committee. That remuneration committee shall exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital and liquidity.

Amendment

1. Member States shall ensure that competent authorities have the necessary powers to guarantee that investment firms which ***do not comply with the criteria in Article 30(4)(a)*** establish a remuneration committee. That remuneration committee shall exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk, capital and liquidity. ***Within a group, the remuneration committee can also be a group-wide remuneration committee.***

Or. en

Justification

This amendment intends to simplify the framework: if this amendment is accepted, there is only 1 possible subdivision of class 2 (threshold of EUR 100 million balance sheet). Furthermore, it should limit the discretion of national authorities and thereby guarantee a level playing field and legal certainty.

Amendment 108

Mady Delvaux

Proposal for a directive

Article 31 – paragraph 2

Text proposed by the Commission

2. Member States shall ensure that competent authorities have the necessary powers to guarantee that the remuneration committee is responsible for the preparation of decisions regarding remuneration, including decisions which have implications for the risk and risk management of the investment firm concerned and which are to be taken by the management body. The Chair and the members of the remuneration committee shall be members of the management body who do not perform any executive function

Amendment

2. Member States shall ensure that competent authorities have the necessary powers to guarantee that the remuneration committee is responsible for the preparation of decisions regarding remuneration, including decisions which have implications for the risk and risk management of the investment firm concerned and which are to be taken by the management body. The Chair and the members of the remuneration committee shall be members of the management body who do not perform any executive function

in the investment firm concerned. Where employee representation in the management body is provided for by national law, the remuneration committee shall include one or more employee representatives.

in the investment firm concerned. Where employee representation in the management body is provided for by national law, the remuneration committee shall include one or more employee representatives. ***Investment firms shall aim at a gender balance in their remuneration committee.***

Or. en

Amendment 109

Mady Delvaux

Proposal for a directive

Article 31 – paragraph 3

Text proposed by the Commission

3. When preparing the decisions referred to in paragraph 2, the remuneration committee shall take into account the public interest and the long-term interests of shareholders, investors and other stakeholders in the investment firm.

Amendment

3. When preparing the decisions referred to in paragraph 2, the remuneration committee shall take into account the public interest and the long-term interests of shareholders, investors and other stakeholders in the investment firm ***and ensure that the remuneration policy decisions are gender neutral.***

Or. en

Amendment 110

Mady Delvaux

Proposal for a directive

Article 32 – paragraph 1

Text proposed by the Commission

1. Member States shall ensure that competent authorities collect the information disclosed in accordance with points (c), (d) and (f) of Article 51 of [Regulation (EU) ---/---[IFR] and use that information to benchmark remuneration

Amendment

1. Member States shall ensure that competent authorities collect the information disclosed in accordance with points ***(a), (b), (ba)***, (c), (d) and (f) of Article 51 of [Regulation (EU) ---/---[IFR] and use that information to benchmark

trends and practices. Competent authorities shall provide that information to **EBA**.

remuneration trends and practices. Competent authorities shall provide that information to **the EBA and the ESMA; the EBA shall publish an annual report on these trends and practices.**

Or. en

Amendment 111

Mady Delvaux

Proposal for a directive

Article 32 – paragraph 3

Text proposed by the Commission

3. EBA, in consultation with ESMA, shall issue guidelines on the application of sound remuneration policies. Those guidelines shall take into account at least the requirements referred to in Articles 28 to 31 and principles on sound remuneration policies set out in Commission Recommendation 2009/384/EC⁴³.

⁴³ Commission Recommendation 2009/384/EC of 30 April 2009 on remuneration policies in the financial services sector (OJ L 120, 15.5.2009, p. 22).

Amendment

3. EBA, in consultation with ESMA, shall issue guidelines on the application of sound **and gender neutral** remuneration policies. Those guidelines shall take into account at least the requirements referred to in Articles 28 to 31 and principles on sound remuneration policies set out in Commission Recommendation 2009/384/EC⁴³.

⁴³ Commission Recommendation 2009/384/EC of 30 April 2009 on remuneration policies in the financial services sector (OJ L 120, 15.5.2009, p. 22).

Or. en

Amendment 112

Sajjad Karim

Proposal for a directive

Article 32 – paragraph 3

Text proposed by the Commission

3. EBA, in consultation with ESMA,

Amendment

3. EBA, in consultation with ESMA,

shall **issue** guidelines on the application of sound remuneration policies. Those guidelines shall take into account at least the requirements referred to in Articles 28 to 31 and principles on sound remuneration policies set out in Commission Recommendation 2009/384/EC⁴³.

⁴³ Commission Recommendation 2009/384/EC of 30 April 2009 on remuneration policies in the financial services sector (OJ L 120, 15.5.2009, p. 22).

shall **propose** guidelines on the application of sound remuneration policies. Those guidelines shall take into account at least the requirements referred to in Articles 28 to 31 and principles on sound remuneration policies set out in Commission Recommendation 2009/384/EC⁴³.

⁴³ Commission Recommendation 2009/384/EC of 30 April 2009 on remuneration policies in the financial services sector (OJ L 120, 15.5.2009, p. 22).

Or. en

Amendment 113

Sajjad Karim

Proposal for a directive

Article 32 – paragraph 4

Text proposed by the Commission

4. Member States shall ensure that investment firms provide competent authorities, where requested, with information on the number of natural persons per investment firm that are remunerated EUR 1 million or more per financial year, in pay brackets of EUR 1 million, including information on their job responsibilities, the business area involved and the **main elements of** salary, bonus, long-term award and pension contribution. Competent authorities shall forward that information to EBA, which shall publish it on an aggregate home Member State basis in a common reporting format. EBA, in consultation with ESMA, may elaborate guidelines to facilitate the implementation of this paragraph and to ensure the consistency of the information collected.

Amendment

4. Member States shall ensure that investment firms provide competent authorities, where requested, with information on the number of natural persons per investment firm that are remunerated EUR 1 million or more per financial year, in pay brackets of EUR 1 million, including information on their job responsibilities, the business area involved and the salary, bonus, long-term award and pension contribution. Competent authorities shall forward that information to EBA, which shall publish it on an aggregate home Member State basis in a common reporting format. EBA, in consultation with ESMA, may elaborate guidelines to facilitate the implementation of this paragraph and to ensure the consistency of the information collected.

Or. en

Amendment 114
Mady Delvaux

Proposal for a directive
Article 33 – paragraph 1 – point f a (new)

Text proposed by the Commission

Amendment

(fa) the inclusive consideration of risks related to environmental, social and governance (ESG) factors in the risk-mitigating arrangements of the investment firms.

Or. en

Amendment 115
Sajjad Karim

Proposal for a directive
Article 36 – paragraph 2 – subparagraph 1 – point g

Text proposed by the Commission

Amendment

(g) to require investment firms to *limit* variable remuneration as a percentage of net revenues where that remuneration is inconsistent with the maintenance of a sound capital base;

(g) to require investment firms to *set* variable remuneration as a percentage of net revenues where that remuneration is inconsistent with the maintenance of a sound capital base;

Or. en

Amendment 116
Mady Delvaux

Proposal for a directive
Article 36 – paragraph 2 – subparagraph 1 – point l a (new)

Text proposed by the Commission

Amendment

(la) to require investment firms to reduce risks posed to the security of their network and information systems to

ensure confidentiality, integrity and availability of the processes and data.

Or. en

Amendment 117

Mady Delvaux

Proposal for a directive

Article 37 – paragraph 1 – point a

Text proposed by the Commission

(a) the investment firm is exposed to risks or elements of risks that are not covered or not sufficiently covered by the capital requirement set out in Part Three of [Regulation (EU) ---/---[IFR];

Amendment

(a) the investment firm is exposed to risks or elements of risks that are not covered or not sufficiently covered by the capital requirement set out in Part Three of [Regulation (EU) ---/---[IFR], ***especially taking into account risks in relation to environmental, social and governance (ESG) factors***;

Or. en

Amendment 118

Daniel Buda

Proposal for a directive

Article 43 – paragraph 1

Text proposed by the Commission

Where an emergency situation arises, including a situation as described in Article 18 of Regulation (EU) No 1093/2010 or adverse developments in markets, which potentially jeopardises the market liquidity and the stability of the financial system in any of the Member States where entities of an investment firm group have been authorised the group supervisor determined pursuant to Article 42 shall, subject to Section 2, Chapter 1 of this Title, alert as soon as practicable, EBA, ESRB and any

Amendment

Where an emergency situation arises, including a situation as described in Article 18 of Regulation (EU) No 1093/2010 or adverse developments in markets, which potentially jeopardises the market liquidity and the stability ***or security*** of the financial system in any of the Member States where entities of an investment firm group have been authorised the group supervisor determined pursuant to Article 42 shall, subject to Section 2, Chapter 1 of this Title, alert as soon as practicable, EBA, ESRB

relevant competent authorities and shall communicate all information essential for the pursuance of their tasks.

and any relevant competent authorities and shall communicate all information essential for the pursuance of their tasks.

Or. ro

Amendment 119
Mady Delvaux

Proposal for a directive
Article 58 a (new)
Directive 2014/59/EU
Article 2(1), point (3)

Text proposed by the Commission

Amendment

Article 58 a

Amendment to Directive 2014/59/EU

Directive 2014/59/EU is amended as follows:

in Article 2(1), point (3) is replaced by the following:

“(3) ‘investment firm’ means an investment firm as defined in point (2) of Article 4(1) of Regulation (EU) No 575/2013 that is subject to the initial capital requirement laid down in Article 8(1) of [Directive (EU) ---/---- [IFD]]”.

Or. en

Justification

This amendment is necessary to change the reference used in the BRRD to define the scope of investment firms subject to the Directive, because the reference to the CRD used at the moment will be deleted by the IFD.

Amendment 120
Mady Delvaux

Proposal for a directive
Article 60 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

By [5 years from the date of application of this Directive] and subsequently every 3 years, the Commission shall submit to the European Parliament and the Council a report on the application of this Directive and its impacts.

Or. en