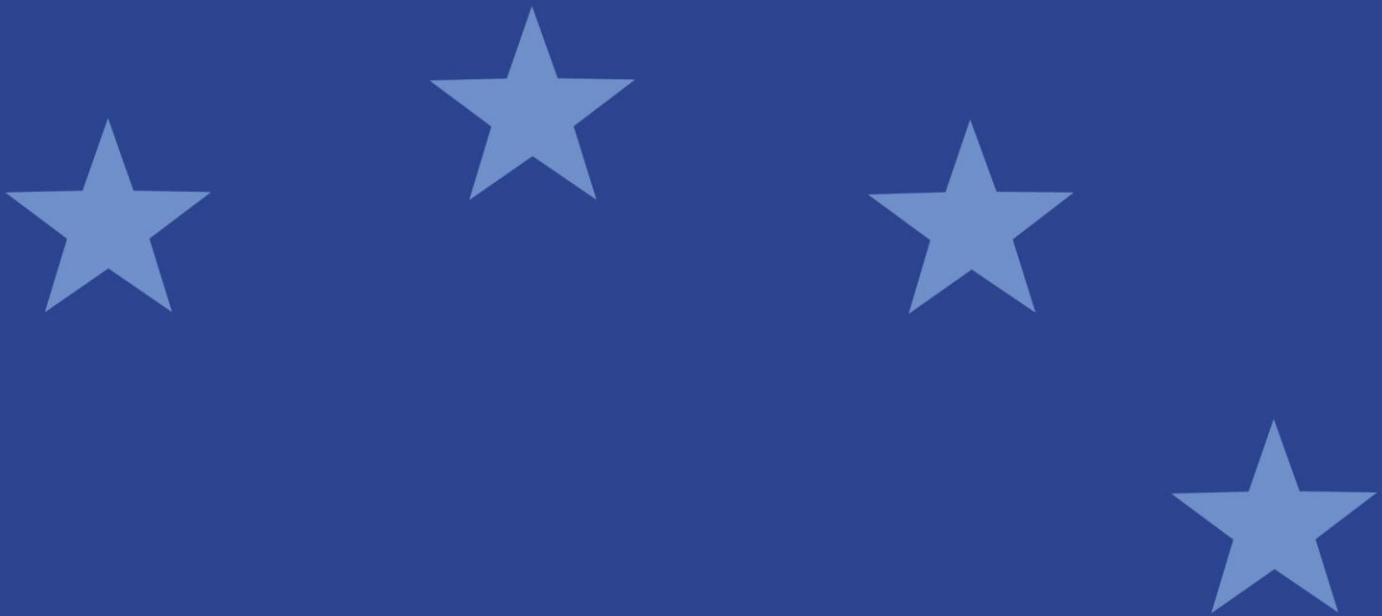




European Securities and
Markets Authority

Final Report

Draft technical standards on the provision of investment services and activities in the Union by third-country firms under MiFID II and MiFIR





European Securities and
Markets Authority

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1 Executive Summary

Reasons for publication

The Investment Firms Regulation (EU) No 2019/2033 (IFR) and Directive (EU) 2019/2034 (IFD) introduced changes to MiFIR and MiFID II regimes for the provision of investment services and activities in the EU by third-country firms.

These changes include new reporting requirements from third-country firms to ESMA on an annual basis in accordance with Article 46 of MiFIR, and also mention explicitly the possibility for ESMA to ask third-country firms in the ESMA register to provide data relating to all orders and all transactions in the EU, whether on own account or on behalf of a client, for a period of five years.

ESMA is mandated by the IFR and the IFD to develop draft technical standards on the provision of investment services and activities in the Union by third-country firms under Chapter IV (*Provision of investment services and activities by third country firms*) of Title II (*Authorisation and operation conditions for investment firms*) of MiFID II and under Title VIII (*Provision of services and performance of activities by third-country firms following an equivalence decision with or without a branch*) of MiFIR.

On 31 January 2020, ESMA published a Consultation Paper (CP) with proposed draft technical standards. The consultation period closed on 28 April 2020. ESMA received 17 responses, 3 of which confidential. The answers received are available on ESMA's website unless respondents requested otherwise. ESMA also received the advice of the Securities and Markets Stakeholder Group's (SMSG).

This paper summarises the responses to the CP and explains how they have been taken into account. ESMA recommends reading this report together with the CP published on 31 January 2020 to have a complete view of the rationale for the technical standards.

Contents

Section 2 gives an overview of the Final Report.



Annex I contains the cost-benefit analysis; Annex II summarises the opinion of the SMSG; Annex III contains the feedback statement; Annexes IV to VI contain the full text of the draft technical standards.

Next Steps

The draft technical standards are submitted to the European Commission for adoption. In accordance with Articles 10 and 15 of Regulation EU No 1095/2010, the European Commission has to decide whether to adopt the technical standards within 3 months.



2 Overview

Background

Changes to the MiFIR regime for third-country firms providing investment services and activities throughout the Union to eligible counterparties and *per se* professional clients (without any establishment in the Union)

1. Article 46 of MiFIR allows third-country firms to provide investment services and activities to eligible counterparties and *per se* professional clients (within the meaning of Section I of Annex II of MiFID II) across the Union if, *inter alia*, the third country where the firm is established is declared equivalent by the European Commission and if they are registered in the register of third-country firms held by ESMA in accordance with Article 48 of MiFIR (the “ESMA register”)¹.
2. Under Article 46(7) of MiFIR, ESMA was given a mandate to develop draft regulatory technical standards to specify the information that the applicant third-country firm shall provide to ESMA in its application for registration in accordance with Article 46(4) of MiFIR. Commission Delegated Regulation No. 2016/2022 (the “existing Article 46 RTS”) was adopted as a result. It provides for the list of information that applicant third-country firms must provide to ESMA for the purpose of the registration in the ESMA register (Article 1 of the existing Article 46 RTS).
3. Regulation (EU) No 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 (the “IFR”) introduces changes to, *inter alia*, the existing MiFIR regime for third-country firms that intend to provide investment services and activities to eligible counterparties and *per se* professional clients.
4. Such changes include a significant reporting flow from third-country firms to ESMA, on an annual basis. Indeed, under Article 46 of MiFIR, as amended by the IFR, third-country firms providing investment services and activities in the Union in accordance with Article

¹ According to Article 46(2) of MiFIR, a third-country firm applying for the provision of investment services or activities throughout the Union under Article 46 of MiFIR shall be registered in the ESMA register where certain conditions are met:

- a) a decision of the European Commission declares the third country where the firm is established as equivalent (in accordance with Article 47(1) of MiFIR);
- b) the third-country firm is authorised in the jurisdiction where its head office is established to provide the investment services or activities to be provided in the Union and it is subject to effective supervision and enforcement ensuring a full compliance with the requirements applicable in that third-country;
- c) cooperation arrangements have been established between ESMA and the relevant third-country competent authorities (pursuant to Article 47(2) of MiFIR).



46 of MiFIR will be required to report granular information on such services and activities to ESMA, on an annual basis, and to provide ESMA with access to relevant data².

5. The IFR also gives ESMA the power to ask third-country firms registered in the ESMA register to provide the data relating to all orders and all transactions in the Union, whether on own account or on behalf of a client, for a period of five years (Article 46(6b) of MiFIR).
6. The IFR requires ESMA to share information, upon request, with the competent authorities of the Member States where a third-country firm is providing investment services and activities in accordance with Article 46 of MiFIR and enables such competent authorities to request information to ESMA (Article 46(6a) of MiFIR).
7. The IFR also gives ESMA the power to conduct on-site inspections (Article 47(2) of MiFIR).
8. In addition to the powers described under paragraph 4 above, ESMA may temporarily prohibit or restrict the provision of investment services or activities in the Union by a third-country firm under Article 46 of MiFIR where:
 - a) the third-country firm has failed to comply with product intervention measures taken by ESMA or the EBA or the competent authorities of a Member State under Articles 40 to 42 of MiFIR; or
 - b) the third-country firm has failed to comply with its annual reporting obligations to ESMA under Article 46(6a) of MiFIR or with a request for information from ESMA under Article 46(6a) or (6b) of MiFIR; or
 - c) the third-country firm has not cooperated with an investigation or an on-site inspection carried out by ESMA in accordance with Article 47(2) of MiFIR.
9. To take into account the above described changes, ESMA is mandated to prepare draft technical standards in relation to the revised third-country regime under MiFIR.

² More specifically, such third-country firms will be required to provide ESMA annually with detailed information about:

- a) the scale and scope of the services and activities carried out by them in the Union, including the geographical distribution across Member States;
- b) for a third-country firm performing activity referred to in point (3) of Section A of Annex I of MiFID II (dealing on own account), its monthly minimum, average and maximum exposure to EU counterparties;
- c) for a third-country firm providing services referred to in point (6) of Section A of Annex I of MiFID II (underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis), the total value of financial instruments originating from EU counterparties underwritten or placed on a firm commitment basis over the last twelve months;
- d) the turnover and the aggregated value of the assets corresponding to the services and activities referred to in point (a);
- e) whether investor protection arrangements have been taken, and a detailed description thereof;
- f) the risk management policy and arrangements applied by the third-country firm to the carrying out of the services and activities referred to in point (a);
- g) the governance arrangements, including key function holders for the activities of the third-country firm in the Union; and
- h) any other information necessary to enable ESMA or the competent authorities to carry out their tasks in accordance with MiFIR.



10. In accordance with Article 46(7) and (8) of MiFIR, ESMA shall develop:
 - a) regulatory technical standards, in consultation with EBA, to specify the information that third-country firms have to provide to ESMA for the registration in the ESMA register of third-country firms (Article 46(4) of MiFIR) and for the information that third-country firms have to report annually to ESMA (Article 46(6a) of MiFIR) (the “**draft Article 46 RTS**”);
 - b) implementing technical standards to specify the format in which the information for the registration of the firm (Article 46(4) of MiFIR) and for the annual report to ESMA should be submitted (Article 46(6a) of MiFIR) (the “**draft Article 46 ITS**”).
11. The existing Article 46 RTS was delivered by ESMA in 2016 in circumstances where the MiFIR regime applicable to third-country firms was simpler and ESMA’s responsibilities were more limited. In developing the new draft regulatory technical standards and implementing technical standards under Article 46(7) and (8) of MiFIR, ESMA had thus to take into account ESMA’s new responsibilities under the MiFIR third-country regime.

Changes to the MiFID II regime for third-country firms providing investment services and activities to retail clients and professional clients within the meaning of Section II of Annex II of MiFID II through a branch

12. The provision of investment services and activities by third-country firms to retail clients and professional clients within the meaning of Section II of Annex II of MiFID II through branches is regulated under Article 39 of MiFID II.
13. The branch of a third-country firm authorised under Article 39 of MiFID II remains under the exclusive supervisory responsibility of the competent authorities of the Member State where it has been authorised.
14. However, under Article 41(2) of MiFID II, as mandated by Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU (the “IFD”), ESMA is required to publish annually a list of branches of third-country firms active in the Union, based on information collected from national competent authorities.
15. In addition, the IFD amends MiFID II to provide for reporting obligations on the branch of a third-country firm authorised under Article 39 of MiFID II to the competent authorities of the Member State where such branch is established³.

³ Pursuant to Article 41 of MiFID II, as amended by the IFD:



16. In accordance with Article 41(5) of MiFID II, ESMA shall develop implementing technical standards to specify the format in which the information referred to in Article 41(3) of MiFID II is to be reported (the “**draft Article 41 ITS**”).

General approach followed for the preparation of the draft technical standards

MiFIR regime - Information to be provided at point of registration (“draft Article 46 RTS”)

17. Article 46 of MiFIR does not provide for a specific list of information that an applicant third-country firm has to provide to ESMA at point of registration.
18. While ESMA’s powers at the registration point are limited, ESMA’s increased responsibilities under the new MiFIR third-country regime and the list of information that a third-country firm has to provide on an annual basis under Article 46(6a) of MiFIR should be taken into consideration in identifying information to be provided at point of registration. As such, ESMA is of the view that Article 1 (Information necessary for the registration) of the draft Article 46 RTS should:
 - a. require a larger set of information to be provided by an applicant third-country firm than the current list in the existing Article 46 RTS;
 - b. align as much as possible the information provided at the registration stage with the information provided on an annual basis.
19. This would also enable ESMA to plan and calibrate timely its subsequent oversight of third-country firms.

-
- a) the competent authorities of Member States where branches of third-country firms authorised under Article 39 of MiFID II are established shall notify ESMA, on an annual basis, of the list of branches of third-country firms active in their territory (Article 41(2) of MiFID II as amended by IFD);
 - b) the branch of a third-country firm authorised under Article 39 of MiFID II shall report annually to the competent authorities of the Member State where it is established information about (Article 41(5) of MiFID II as amended by IFD):
 - i. the scale and scope of the services and activities carried out by the branch in that Member State;
 - ii. for firms performing activity referred in point (3) of Section A of Annex I to Directive 2014/65/EU, their monthly minimum, average and maximum exposure to EU counterparties;
 - iii. for firms providing services referred to in point (6) of Section A of Annex I to Directive 2014/65/EU, the total value of financial instruments originating from EU counterparties underwritten or placed on a firm commitment basis over the last twelve months;
 - iv. the turnover and the aggregated value of the assets corresponding to the services and activities referred to in point (a);
 - v. a detailed description of the investor protection arrangements available to the clients of the branch, including the rights of those clients resulting from the investor-compensation scheme referred to in Article 39(2)(f) of MiFID II;
 - vi. the risk management policy and arrangements applied by the branch for the services and activities referred to in point (a).
 - vii. the governance arrangements, including key function holders for the activities of the branch;
 - viii. any other information considered by the competent authority necessary to enable comprehensive monitoring of the activities of the branch.



20. Therefore, the draft Article 46 RTS lists information that third-country firms providing investment services and performing investment activities in the Union in accordance with Article 46 of MiFIR should report to ESMA at the registration point.

MiFIR regime - Information to be provided on an annual basis ("draft Article 46 RTS")

21. Article 46(6a) of MiFIR provides a non-exhaustive list of information that a third-country firm providing investment services and performing investment activities in accordance with Article 46 of MiFIR has to provide to ESMA on an annual basis. Article 46(7) of MiFIR gives a mandate to ESMA, in collaboration with the EBA, to specify the information to be reported in accordance with paragraph 46(6a).
22. In addition, Article 46(7) of MiFIR, as amended by the IFR, does not anymore include a mandate for ESMA to specify the format of the information that third-country firms providing investment services and performing investment activities in accordance with Article 46 of MiFIR shall provide under Article 46(5). As such, ESMA considers that Article 3 of the existing Article 46 RTS should not be confirmed in the new draft Article 46 RTS.
23. The draft Article 46 RTS lists information that third-country firms providing investment services and performing investment activities in the Union in accordance with Article 46 of MiFIR should report to ESMA on an annual basis.

MiFIR regime - Draft implementing technical standards ("draft Article 46 ITS")

24. ESMA believes that it is appropriate to provide as much clarity as possible to applicant third-country firms and third-country firms providing investment services and performing investment activities in the Union under Article 46 of MiFIR about the format of the information detailed in the draft Article 46 RTS.
25. Further operational technical details on the machine-readable electronic format and interfaces provided by the information technology system that will be set up by ESMA to collect and manage the information set out in the draft regulatory technical standards will be provided at a later stage through further guidance.

MiFID II regime – Draft implementing technical standards ("draft Article 41 ITS")

26. As the list of information to be provided by the branch of a third-country firm under Article 41(3) of MiFID II is highly similar to the list of information to be provided by third-country firms under Article 46(6a) of MiFIR. In light of this, ESMA considers that the draft implementing technical standards under Article 41(5) of MiFID II should be aligned, as much as possible, with the draft implementing technical standards under Article 46(8) of MiFIR with respect to information to be provided annually, but adapted to the provision of investment services and investment activities by a branch.



27. Further operational technical details on the interfaces (if any) to be used for reporting that information may be set up by the national competent authorities of relevant Member States to collect and manage the information set out in MiFID II.
28. Article 47(3) of MiFIR provides that third-country firms established in a country declared equivalent and which have a branch authorised in a Member State in accordance with Article 39 of MiFID II are allowed to provide investment services and activities to eligible counterparties and per se professional clients in other Member States without the need to establish new branches. By way of exception to the lack of passport by branches of third-country firms, Article 47(3) of MiFIR thus gives passporting rights to third-country firms when certain conditions are fulfilled without the need to register in the ESMA register. Besides the case covered under Article 47 (3) of Regulation (EU) 600/2014, branches of third country firms do not enjoy the freedom to provide services and the right of establishment in Member States other than the one where they are established (Recital 109 of MiFID II).
29. Such third-country firms are, however, not subject to the information requirements (at the point of registration and after that, annually) of Article 46 of MiFIR. Article 47(3) further provides that the branch shall remain subject to the supervision of the competent authority of the Member State where it is established.
30. For this reason, ESMA considers that it is appropriate to also include in the draft implementing technical standards under Article 41(5) of MiFID II information on the activities that the branch is carrying out on a cross-border basis in the Union by virtue of Article 47(3) of MiFIR. This is because it is the responsibility of the competent authorities of the Member State of the branch to also supervise the activities of that branch in other Member States.

Public consultation

31. On 31 January 2020, ESMA published a Consultation Paper (CP) on draft technical standards on the provision of investment services and activities in the Union by third-country firms under Chapter IV (Provision of investment services and activities by third country firms) of Title II (Authorisation and operation conditions for investment firms) of MiFID II or under Title VIII (Provision of services and performance of activities by third-country firms following an equivalence decision with or without a branch) of MiFIR. Following an extension due to the Covid-19 crisis, the consultation period closed on 28 April 2020.
32. ESMA received 17 responses, 3 of which confidential. The answers received are available on ESMA's website unless respondents requested otherwise. ESMA also received the advice of the Securities and Markets Stakeholder Group's (SMSG).

Final report



33. This Final Report summarises and analyses the responses to the CP, and explains how the responses, together with the SMSG advice, have been taken into account. ESMA recommends reading this report together with the CP published on 31 January 2020 to have a complete view of the rationale for the technical standards.



3 Annexes

Annex I - Cost-benefit analysis

1. In light of the mandates given to ESMA and considering the main objectives of these draft technical standards, the CP presented a preliminary assessment of the benefits and costs of the key policy choices of the ESMA proposals.
2. In general, most respondents to the consultation shared ESMA's identification of benefits and costs. They also agreed that the ESMA proposals provide the most cost-efficient way of achieving the policy objectives.

MiFIR regime for third-country firms providing investment services and activities throughout the Union to eligible counterparties and *per se* professional clients (without any establishment in the Union)

3. The new MiFIR third-country regime, which will result from the changes introduced by the IFR to MiFIR, includes a new and significant reporting flow from third-country firms to ESMA on an annual basis and gives ESMA more powers to request information as well as to temporarily restrict or prohibit the provision of investment services or activities in the Union by a third-country firm.
4. Indeed, third-country firms providing investment services and activities in the Union in accordance with Article 46 of MiFIR will be required to report, on an annual basis, granular information to ESMA on their activities in the Union such as: information about the scale and scope of such activities, specific figures regarding their dealing on own account and underwriting and placing activities, the turnover and aggregated value of the assets corresponding to their activities in the Union, their investor protection and risk management arrangements, their governance arrangements and any other information necessary to enable ESMA to carry out their tasks in accordance with MiFIR.
5. The IFR also gives ESMA the power to:
 - a) ask third-country firms registered in the ESMA register to provide (i) any further information in respect of their operations (where necessary for the accomplishment of the tasks of ESMA or the competent authorities in accordance with MiFIR) (last subparagraph of Article 46(6a) of MiFIR) and (ii) data relating to all orders and all transactions in the Union, whether on own account or on behalf of a client, for a period of five years (Article 46(6b) of MiFIR);
 - b) conduct on-site inspections (Article 47(2) of MiFIR).
6. In addition to ESMA's powers to withdraw the registration of a third-country firm in the ESMA register (in accordance with Article 46(6c) and Article 49(2) of MiFIR), the new



MiFIR third-country regime gives ESMA the power to temporarily prohibit or restrict the provision of investment services or activities in the Union by a third-country firm under Article 46 of MiFIR where:

- a) the third-country firm has failed to comply with product intervention measures taken by ESMA or the EBA or the competent authorities of a Member State under Articles 40 to 42 of MiFIR; or
 - b) the third-country firm has failed to comply with its annual reporting obligations to ESMA under Article 46(6a) of MiFIR or with a request for information from ESMA under Article 46(6a) or (6b); or
 - c) the third-country firm has not cooperated with an investigation or an on-site inspection carried out by ESMA in accordance with Article 47(2) of MiFIR.
7. To take into account the enhanced flow of information that firms have to report and ESMA's new powers and role in the new third-country regime under MiFIR, ESMA is mandated to prepare draft technical standards in relation to the revised third-country regime under MiFIR.
8. The existing Article 46 RTS was delivered by ESMA in 2016 in circumstances where the MiFIR regime applicable to third-country firms was simpler and ESMA's responsibilities were more limited. In developing the new draft technical standards under Article 46(7) and (8) of MiFIR, ESMA has taken into account ESMA's new responsibilities under the MiFIR third-country regime as well as the increased set of information that third-country firms have to provide to ESMA on an annual basis under Article 46(6a) of MiFIR.

The impact of the draft Article 46 RTS and draft Article 46 ITS

9. MiFIR introduced a Union harmonised regime for granting access to third-country firms providing investment services or activities to eligible counterparties and professional clients per se that are established in the Union. Access to the internal market is conditional on the European Commission adopting an equivalence decision and on ESMA registering the third-country firm.
10. As described above, once an equivalent decision is taken, third-country firms may request registration in the ESMA register. Once registered in the ESMA register, the third-country firms are subject to periodic reporting requirements.
11. However, the existing MiFIR third-country regime has, so far, never been used due to the lack of any equivalence decision taken by the European Commission.
12. As stated in the IFR, it is important that the assessment of equivalence is done on the basis of the relevant applicable Union law and that effective tools to monitor that the conditions under which equivalence is granted are in place. For those reasons, third-country registered firms should be required to report annually to ESMA information



concerning the scale and scope of services provided, and activities carried out, in the Union.

13. In addition, it is essential that ESMA's monitoring of the activities of third-country firms in the Union (i) ensures that clients serviced by third-country firms receive a comparable level of protection compared to clients services by firms authorised in the Union and (ii) does not prevent issuers or investors in the Union from interacting with third-country firms.
14. Therefore, ESMA's objectives in drafting the draft Article 46 RTS and draft Article 46 ITS are to ensure (i) that it is able to monitor the scale and scope of the activities of third-country firms in the Union; (ii) investor protection as well as the integrity and the stability of financial markets in the Union; (iii) certainty for the market and the uniform treatment of third-country firms accessing the Union; (iv) a comparable level of protection to clients receiving services by third-country firms (compared to those receiving services from firms established in the Union); as well as (v) that the new MiFIR third-country regime does not prevent investors and issuers from investing in or obtaining funding from third-country firms.
15. In addition, under Article 47(5) of MiFIR (as amended by the IFR) ESMA shall monitor the regulatory and supervisory developments, the enforcement practices and other relevant market developments in third countries for which equivalence decisions have been adopted by the Commission in order to verify that the conditions on the basis of which those decisions have been taken are still fulfilled. ESMA shall submit a confidential report on its findings to the Commission on an annual basis. This ESMA report to the Commission shall also reflect the trends observed on the basis of the data collected under Article 46(6a) (in particular as regards firms providing services or performing the activities referred to in points (3) and (6) of Section A of Annex I of MiFID II). The information collected by ESMA from third-country firms is thus also essential for the fulfilment of this task by ESMA.

Benefits

16. In line with the preliminary impact assessment and with the responses received to the consultation it is possible to summarise the main benefits linked to the draft Article 46 RTS and draft Article 46 ITS as follows:
 - harmonised regime for granting third-country firms access to the Union;
 - certainty for third-country firms applying to access the Union;
 - uniform treatment of third-country firms accessing the Union;
 - contributing to safeguard investors' confidence in the financial markets;



- contributing to protect investors in the Union which are being serviced by third-country firm through the collection of relevant information by third-country firms;
 - contributing to ensure the integrity and stability of financial markets in the Union through the collection of relevant information by third-country firms;
 - allowing ESMA to collect the relevant information so as to be able to monitor the cross-border activities of third-country firms in the Union and fulfil the new responsibilities assigned to it by the IFD and IFR;
 - allowing national competent authorities to get information about the cross-border activities of third-country firms in their jurisdiction (since they can request information from ESMA).
17. Respondents agreed with the benefits described and appreciated the harmonised regime which will allow third-country firms to provide cross-border investment services without having to comply with various national third-country regimes.

Costs

18. As no equivalence decision has been taken so far, third-country firms have been obliged to comply with national third-country regimes in each jurisdiction of the Union in which they are providing investment services or activities. They thus never relied on the existing MiFIR third-country regime.
19. Once an equivalence decision has been taken by the European Commission, third-country firms from the relevant jurisdiction will be able to continue relying on national third-country regimes of the Union for three years after the adoption of the equivalence decision. Those third-country firms will thus be given sufficient time to transition from national third-country regimes to the harmonised regime granting them access to the Union by applying for registration in the ESMA register.
20. It can be therefore reasonably expected that those firms already providing investment services and activities in the Union by relying on national third-country regimes may incur costs when putting in place the necessary arrangements to register with ESMA and report annually to ESMA pursuant to Article 46 of MiFIR. However, those costs may be compensated by the introduction of a harmonised regime giving them access to eligible counterparties and professional clients per se of the entire Union, sparing them the costs of having to monitor national third-country regimes of all jurisdictions where they provide investment services and carry out investment activities to eligible counterparties and professional clients per se on a cross-border basis.
21. ESMA considers that potential and incremental costs that firms will face when implementing the draft Article 46 RTS and draft Article 46 ITS under the new MiFIR third-country regime might have both a one-off and an ongoing nature, arguably linked to:



- (direct) costs linked to the assessment of their existing reporting arrangements in relation to their operations in the Union; and
 - (direct) initial and ongoing IT costs.
22. However, ESMA believes that the draft Article 46 RTS and draft Article 46 ITS provide the most cost-efficient solution to achieving the general objectives described above.
 23. ESMA will also incur costs, both of an on-off and ongoing nature, to implement Article 46 RTS and Article 46 ITS. Those costs will cover, for instance, (i) the putting in place of the necessary IT system to collect and manage the information required from third-country firms and (ii) the hiring of new staff to fulfil the new responsibilities assigned to ESMA by the IFD and IFR.
 24. However, ESMA considers that such costs directly ensue from the new responsibilities and powers given to ESMA by the IFD and IFR. The information required under the draft Article 46 RTS and draft Article 46 ITS are, in ESMA's view, the minimum information requirements necessary for ESMA to be able to fulfil its new responsibilities and exercise its new powers under the MiFIR third-country regime.
 25. One industry association provided a general estimation of the costs for the compliance with MiFIR (around EUR 10,000).

Conclusions

26. In light of what has been illustrated above, ESMA believes that the overall (compliance) costs associated with the implementation of the new MiFIR third-country regime, including the draft Article 46 RTS and draft Article 46 ITS, are fully justified by the objectives described above and will be largely compensated by the benefits for third-country firms to have access to an harmonised regime giving them access to the Union.
27. ESMA is also of the view that the costs that it will incur due to the implementation of the draft Article 46 RTS and draft Article 46 ITS are necessary and ensue directly from its new responsibilities and powers under the new MiFIR third-country regime and are, thus, unavoidable.

Changes to the MiFID II regime for third-country firms providing investment services and activities to retail clients and professional clients within the meaning of Section II of Annex II of MiFID II through a branch

28. The branch of a third-country firm authorised under Article 39 of MiFID II remains under the exclusive supervisory responsibility of the competent authorities of the Member State where it has been authorised.
29. The IFD amends MiFID II to provide for further reporting obligations on the branch of a third-country firm authorised under Article 39 of MiFID II and the competent authorities



of the Member State where such branch is established. Indeed, pursuant to Article 41 of MiFID II, as amended by the IFD:

- a) the competent authorities of Member States where branches of third-country firms authorised under Article 39 of MiFID II are established shall notify ESMA, on an annual basis, of the list of branches of third-country firms active in their territory;
 - b) the branch of a third-country firm authorised under Article 39 of MiFID II shall report annually to the competent authorities of the Member State where it is established information about (i) the scale and scope of the services and activities carried out by the branch in that Member State; (ii) certain figures relating to the branch's activities of dealing on own account and underwriting and placing on a firm commitment basis; (iii) the turnover and the aggregated value of the assets corresponding to the activities of the branch in the Member State where it is established; (iv) a detailed description of the investor protection and risk management arrangements of the branch; (v) its governance arrangements and (vi) any other information considered by the competent authority necessary to enable the monitoring of the activities of the branch.
30. To take into account this newly harmonised flow of information that the branch of a third-country firm has to report to the competent authority of the Member State where it is established, ESMA is mandated to develop , in accordance with Article 41(5) of MiFID II, implementing technical standards to specify the format in which the information referred to above in paragraph 29b) is to be reported.
31. In accordance with Article 47(3) of MiFIR, third-country firms established in a country declared equivalent and which have a branch authorised in a Member State in accordance with Article 39 of MiFID II are allowed to provide investment services and activities to eligible counterparties and per se professional clients in other Member States without the need to establish new branches. By way of exception to the lack of passport of third-country firms' branches, Article 47(3) of MiFIR thus gives passporting rights to third-country firms when certain conditions are fulfilled without the need to register in the ESMA register. Besides the case covered under Article 47 (3) of Regulation (EU) 600/2014, branches of third country firms do not enjoy the freedom to provide services and the right of establishment in Member States other than the one where they are established
32. Such third-country firms are, therefore, not subject to the information requirements (at the point of registration and after that, annually) of Article 46 of MiFIR. Article 47(3) further provides that the branch shall remain subject to the supervision of the competent authority of the Member State where it is established.
33. For this reason, ESMA considers appropriate to also include in the draft implementing technical standards under Article 41(5) of MiFID II information on the activities that the branch is carrying out on a cross-border basis in the Union by virtue of Article 47(3) of



MiFIR. This is because it is the responsibility of the competent authorities of the host Member State of the branch to also supervise the activities of that branch in other Member States (in accordance with Article 47(2) of MiFIR).

The impact of the draft Article 41 ITS

34. The draft Article 41 ITS under Article 41 of MiFID II, as amended by IFD, introduces a minimum level of harmonisation in an area where there was none before (as the current regime does not provide the minimum list of information to be reported by branches of third-country firms authorised under Article 39 of MiFID II).
35. Therefore, ESMA's objectives in drafting the draft Article 41 ITS are to ensure (i) that competent authorities continue to be able to supervise the activities of branches of third-country firms established in their jurisdiction; (ii) investor protection as well as the integrity and the stability of financial markets in the Union; and (iii) certainty for the market and the uniform treatment of third-country firms accessing the Union.

Benefits

36. It is possible to illustrate the main benefits linked to the draft Article 41 ITS as follows:
 - harmonised annual reporting regime for third-country firms with a branch or branches in one or more Member States of the Union;
 - certainty for branches of third-country firms reporting to the competent authorities of the Member States where they are established;
 - uniform treatment of branches of third-country firms established in different Member States;
 - safeguarding investors' confidence in the financial markets and protecting investors in the Union which are being serviced by branches of third-country firms established in the Union by ensuring that national competent authorities across the Union have the necessary information to supervise those branches;
 - ensuring the integrity and stability of financial markets in the Union.

Costs

37. It can be reasonably expected that branches of third-country firms already authorised under Article 39 of MiFID II and already reporting to the relevant national competent authorities may incur costs when putting in place the necessary arrangements to report annually the list of information provided in the draft Article 41 ITS, if such information is not entirely in line with what they are currently asked to provide by the relevant national competent authority. However, those costs should be largely compensated by the introduction of a harmonised annual reporting regime, sparing third-country firms the



costs of having to monitor national reporting regimes for each of their branches established in the Union.

38. ESMA considers that potential and incremental costs that firms will face when implementing the draft Article 41 ITS might have both a one-off and an ongoing nature, arguably linked to:
- (direct) costs linked to the assessment of their existing reporting arrangements in relation to their operations in the Union; and
 - (direct) initial and ongoing IT costs.
39. ESMA is of the view that the same applies to costs that national competent authorities may incur when implementing the draft Article 41 ITS and that, depending on the existing information requirements of each national competent authority, such costs may be linked to:
- a) (direct) costs linked to the assessment of their existing reporting requirements in relation to third-country firms operating through a branch in their Member States; and
 - b) (direct) initial and ongoing IT costs to update their existing IT system (if any).
40. However, ESMA believes that the draft ITS provides the most cost-efficient solution to achieving the general objectives described above.

Conclusions

41. In light of what has been described above, ESMA believes that the overall (compliance) costs associated with the implementation of the new MiFID II third-country annual reporting regime, including the draft Article 41 ITS, are fully justified by the objectives described above and will be largely compensated by the benefit for third-country firms with multiple branches established in the Union to have a harmonised annual reporting regime.



Annex II - Opinion of the Securities and Markets Stakeholder Group

1. ESMA also received the advice of the Securities and Markets Stakeholder Group's (SMSG)⁴.
2. The SMSG supported ESMA's proposals and considered that *ESMA and the NCAs should obtain all the necessary information to at least:*
 - *Have a clear image of what the reality is as regards the provision of investment services to clients in the EU;*
 - *Identify potential risks;*
 - *Be able to identify any potential circumvention of EU law by third country entities. The use of the reverse solicitation option by third country entities beyond their regulatory borders is a major concern in this respect. The SMSG also believes that the RTS and ITS should be aligned and support the principles that should govern the regulatory regime for third country entities providing investment services and activities in the EU.*
3. The SMSG stressed the fact that *a level playing field between third country entities and EU entities should be guaranteed within the EU, so that potential incentives for the EU industry to move to a third country be avoided, limiting the risk of an EU industry relocation, and promoting EU industry development.*
4. Furthermore, the SMSG provided the following main comments⁵:
 - It would be helpful if the RTS would require that each third country entity appoints a person for the ongoing relationship with ESMA and particularly for situations where a quick contact might be necessary.
 - The RTS should establish that third country entities must inform ESMA of any material change in their domestic regulations or specific regulatory or operational conditions affecting the entity, without waiting until the next annual information.
 - The SMSG acknowledges that the Annexes contain a certain level of granularity of data regarding different types of clients. This is very positive since it will be helpful that ESMA and the relevant NCA in the case of a branch, have sufficient information regarding specific types of clients in respect of each specific kind of services and each specific product.

⁴ The SMSG response has been published on the ESMA website (Ref: ESMA22-106-2365) https://www.esma.europa.eu/sites/default/files/library/esma22-106-2365_smsg_advice_inv_services_third_country.pdf.

⁵ Ref: ESMA22-106-2365 for further details.



- When asking for the entity marketing strategies, additional information could be required as regards the level of reverse solicitation services provided to EU clients by the entity or any entity pertaining to the same group.
 - It would be very useful if ESMA received detailed information as to the nature and content of the complaints directed by EU clients to the third country entity. This can give a clear image of the potential problems a particular entity might be creating within the Union.
 - It should be very clear from the RTS and ITS that ESMA can ask for additional information from the third country entity at any moment when ESMA deems it appropriate, according to and within the limits of ESMA's powers. Consequently, the RTS and ITS should contain the obligation for third country entities to provide ESMA with any additional information ESMA could require from the entity.
 - ESMA, or the relevant NCA, have no prudential supervision capacities over a third country entity. The MSG considers that it would, nevertheless, be advisable that third country entities provide ESMA, or the relevant NCA, with the last report the entity had made public as regards prudential and capital adequacy information.
 - It is not clear what the consequences are for a third country entity providing poor or incorrect data to ESMA or the relevant NCA. This should be clarified.
 - ESMA and the relevant NCA should receive information from third country entities regarding how they integrate ESG factors within their organization as well as in their activities within the EU and in their relationship with EU investors.
5. These comments, together with the answers provided to the questions in the CP are addressed in the relevant sections of this Final Report.



Annex III - Feedback on consultation paper

Q1: Do you agree with the list of information to be requested by ESMA from applicant third-country firms for registration in the ESMA register? If no, which items should be added or deleted and for which reasons? Please provide detailed answers.

1. Most respondents welcomed the new set of rules and the effort to increase transparency, stability and investor protection. Similarly, the goal of a level-playing field between investment firms irrespective of their country of origin was appreciated. A number of respondents also considered the detailed disclosure and reporting requirements generally appropriate and suitable to support these regulatory and supervisory objectives.
2. Some respondents pointed out that ESMA's proposals did not appear in line with the policy objectives behind the MiFIR equivalence framework and the role assigned to ESMA. They noted that ESMA's role in the equivalence regime, in particular under Article 47(5) of MiFIR (as amended by the IFR), is to identify trends and relevant developments in third countries regarding their supervisory, regulatory and enforcement frameworks. This work is intended to complement the European Commission's equivalence determinations. Other respondents noted that ESMA is responsible for identifying situations (i) in which a third-country firm acts in a manner prejudicial to the interests of investors or the markets as such, or (ii) in which a third-country firm has seriously infringed its home country's rules. As an *ultima ratio*, ESMA shall withdraw a registration. However, ESMA's new responsibilities do not extend to direct supervision of third-country firms. Some respondents claimed that the granular information ESMA seeks to collect on an annual basis, for example, on a firm's global operations and strategy, are excessive and do not serve the purpose contemplated by the new level 1 rules. Furthermore, many of the requested information can and should be obtained through cooperation agreements with the relevant third countries as opposed to from the firms themselves.
3. ESMA is aware that the equivalence framework was designed to facilitate reliance on a third-country's rules and supervision, where such third-country's regulatory framework achieves similar outcomes as the European Union's. At the same time, ESMA's role under the new MiFIR regime for third-country firms goes beyond the pure monitoring of the equivalence conditions. ESMA should receive a significant flow of periodic information, it may request information to third-country firms relating to their operations and may access data relating to orders and transactions taken and executed in the Union. Furthermore, ESMA may carry out investigations and on-site inspections. ESMA may also temporarily prohibit or restrict a third-country firm from providing investment services and activities in the Union. These new responsibilities can only be performed if ESMA has enough and current information on the activities of third-country firms.

4. Furthermore, the new Article 47 of MiFIR as amended by IFR clarifies and broadens the scope of the equivalence assessment. It states, *inter alia*, that where the scale and scope of the services provided and the activities performed by third-country firms in the Union are likely to be of systemic importance, a detailed and granular assessment of the supervisory convergence between the concerned third country and the Union is needed. In addition, the Commission may attach specific operational conditions to equivalence decisions preventing regulatory arbitrage. These conditions then, too, need to be monitored by ESMA. In more general terms, while the equivalence decision is made at the time of application, ESMA's role is the ongoing monitoring of the facts the equivalence decision has been based on. To that end, ESMA needs to monitor the regulatory and supervisory developments, the enforcement practices and other relevant market developments in the relevant third countries. This new task of ESMA is also reflected by the requirement to produce and send an annual report to the Commission that must state the findings of the monitoring activity and the trends derived from the annual reports that third-country firms have to submit to ESMA.
5. With regard to the **identification of the third-country firms** (Article 1(1)(a) and Field (1), sub-fields (5) and (7) of Annex I), a postal address is requested if different from the Head Office's address. One consultant of financial firms suggested to specify that ESMA is requesting the operating address from where the services will be provided if different from the registered address.
6. ESMA agrees with this comment. Third-country firms should provide the operating address from where the services are provided if different from the Head Office's address. The RTS and ITS have been amended accordingly.
7. Concerning the **name and contact details of the person in charge of the registration application** (Article 1(1)(b) and Field (2) of Annex I), one respondent noted that applications will likely be prepared and submitted by the applicant's compliance and/or legal department. The respondent suggested that this information requirement should be supplemented with a request to also provide the name and contact details of the person within senior management in charge of the EU operations.
8. ESMA believes that the name of the person actually in charge of the application is the best contact person should further information or changes to the application be needed. ESMA is therefore of the view that requesting the contact details of the person actually completing and submitting the application is appropriate.
9. As for **information on the third-country competent authority** that is responsible for the supervision of the third-country firm (Article 1(1)(c) and Field (3) of Annex I), one market operator and two industry associations explained that some third countries allow for indirect supervision of some firms by self-regulatory organisations (SROs). Therefore, they asked ESMA to clarify that instead of a third-country firm's competent authority the relevant SROs could be mentioned.

10. ESMA is aware of the existence of different supervisory set-ups and sees merit in exploring additional or alternative ways of providing the relevant information. However, Article 46(5) of MiFIR states that third-country firms registered with ESMA shall indicate to their clients based in the Union “the name and the address of the competent authority responsible for supervision in the third-country”. Therefore, in ESMA’s view, the name of the principal third-country competent authority in charge of the supervision of the third-country firm or that entertains the regulatory relationships with the self-regulatory organisation effectively supervising the third-country firm needs to be indicated.
11. With regard to the indication of the **URL to the register of the third-country** competent authority (Article 1(1)(c) and Field (3), sub-field (5) of Annex I), two respondents stated that not all competent authorities have an electronic register. Therefore, firms should be able to provide alternative proof of registration/authorisation.
12. ESMA amended the RTS and the ITS accordingly.
13. Concerning the **number of clients/counterparties** (Article 1(1)(e) and Field (5) of Annex I), respondents asked ESMA to confirm that reasonable estimates of clients, counterparties and total net turnover satisfy this requirement. One respondent commented that this information was difficult to provide given the multi-jurisdictional nature of clients’ and counterparties’ operations. Some respondents argued that the request to provide “expected number of clients / counterparties” does not apply smoothly to all investment services and activities. Other respondents expressed the view that only the number of clients and counterparties within the Union should be disclosed.
14. As already explained in the consultation paper (page 11), ESMA is of the view that information necessary for the registration under Article 46 RTS should be broadly aligned with information provided on an annual basis. ESMA has amended the text of the draft technical standards clarifying that high-level estimates of the number of clients and counterparties in the Union will be sufficient, both under Article 1(1)(e) (Field (5), sub-field (4) of Annex I) and Article 2(1)(j) (Field (15), sub-field (4) of Annex II) of Article 46 RTS.
15. Concerning the tailoring of the reporting to specific services or activities, ESMA will consider any need for adaptations following the first application of the new requirements.
16. Some respondents stated that the information requirements on **how the activities of the third-country firm in the Union will contribute to the overall strategy of the firm** (Article 1(1)(f) and Field (6) of Annex I) appear commercially sensitive, difficult to verify and not linked to ESMA’s powers. One other respondent, however, supported this information request noting that firms also have to provide the relevant national competent authority with a business plan when applying for authorisation.
17. ESMA believes the information on how the activities carried out in the Union will contribute to the overall strategy of the applicant third-country firm is important, because it enables ESMA and the relevant competent authorities to understand and monitor the scale and



scope of investment services and investment activities provided by the relevant third-country firm in the Union.

18. With regard to the **description of the governance arrangements** (Article 1(1)(g) and Fields (7)-(9) of Annex I), some respondents noted that the level of granularity requested by ESMA, for example, on all key function holders and members of the management body of the third-country firm, including details of reporting lines, was disproportionate. ESMA should only receive the information that is relevant to third-country firms' operations in the Union. A couple of industry associations claimed that the request for personal addresses (Fields (7)-(9) of Annex I) was sensitive personal information.
19. ESMA would like to note that the information requirement on the governance of third-country firms is established under Article 46 of MiFIR as amended by IFR. This information is needed to understand how the third-country firm is managed and overseen. ESMA would like to clarify, however, that - as stated under Article 1(2)(b)-(c) - the information on key function holders and reporting lines should only relate to the activities in the Union.
20. Furthermore, ESMA agrees that the business addresses of members of the management body are adequate for the purposes of the Article 46 RTS. The RTS and the ITS have been amended accordingly.
21. Two respondents noted that the information request on the third-country **firm's marketing strategy in the Union** (Article 1(1)(h) and Field (10) of Annex I) was vague and costly to provide. Furthermore, marketing strategy might not be relevant for certain services or activities
22. ESMA would like to confirm that the information on the third-country firm's marketing strategy are needed to understand how the third-country firm plans to provide investment services and activities once registered in the ESMA register and to organise the relevant monitoring activities.
23. In addition, ESMA would like to clarify that, should a third country firm not engage in marketing activities because of the nature of the service it provides or as a business choice, such an explanation can be provided in the relevant field.
24. The SMSG pointed out that additional information regarding the level of reverse solicitation should be required.
25. ESMA understands the reasoning behind the SMSG's comment. At the same time, it seems unlikely that registered third-country firms base their business model for the Union on reverse solicitation. Once registered, third-country firms are free to proactively seek and do business within the Union. Therefore, such firms do not need to invoke the reverse solicitation rules.

26. As for the **investor protection arrangements** (Article 1(1)(i) and Fields (11)-(21) of Annex I), two respondents stated that, depending on the services provided, some fields would be irrelevant and it was not clear how relevant firms could comply with these requirements.
27. ESMA would like to point out that Annex I sets forth a list of investor protection aspects that third-country firms are expected to comment on when registering. To the extent listed aspects are not relevant to the activities and / or the services the firm intends to provide in the Union, the relevant firm will specify so in the relevant field and will therefore omit the respective piece of information.
28. One respondent asked ESMA to align the wording concerning the description of the arrangements of the third-country firm to **protect and manage the funds and assets** of its clients (Article 1(3)(j) and Field (20) of Annex I) to the MiFID II Delegated Directive 2017/593 language. The respondent suggested that the requirement should be amended to read “to protect and ~~manage~~ *safeguard* the financial instruments and funds of its clients”. The current wording was misleading, especially the use of the word “managing” that may refer to other parts of the regulatory framework (notably to one of the MiFID II ancillary services).
29. ESMA agrees and amended the RTS and the ITS accordingly.
30. One respondent noted that the information requirement on the structure, organisation of and monitoring by the **compliance function, the internal audit function and the risk management function** (or equivalent) of the third-country firm (Article 1(1)(l)-(n) and Fields (23)-(25) of Annex I) should take into account that in some cases internal functions are not clearly split across regional lines. Many firms may not distinguish between EU and non-EU operations, as their risk and compliance arrangements are set up for the whole group.
31. ESMA is aware of the practical difficulties raised by respondents and has amended the description of the Fields (23), (24) and (25) of Annex I of Article 46 RTS and clarified that, for the purpose of the registration, the information to be provided under Article 1(1) letters (l)-(n) should be focused on the operations of the third-country firms in the Union (in line with the information requirements set forth in the Annex II to Article 46 RTS).
32. Information on the arrangements for algorithm trading, HFT and DEA (Article 1(1)(k) and Field (28) of Annex I) were considered too onerous and unnecessary.
33. ESMA believes that it requires this information to be able to monitor how the investment services are provided within the Union and to understand if EU investors are appropriately protected. Algorithmic trading, including HFT, and DEA have become increasingly relevant in the financial markets. The risk and the adverse potential impact of these strategies on markets and firms has therefore also grown. ESMA therefore believes that it is important to receive information on algorithmic trading.

34. One industry association proposed that third-country applicants should also disclose past and present criminal behaviour of managers and of the contact person. Hence, the criminal record, if any, should be added to the list of requested information.
35. ESMA believes that third-country jurisdiction that have been declared equivalent in accordance with Article 47 of MiFIR will conduct a “fit and proper” test prior to any appointment of members to a firm’s management body. Furthermore, ESMA will rely on being able to obtain relevant information in this regard from the relevant national competent authority on the basis of the cooperation agreements that will have to be signed with third-country competent authorities (in accordance with Article 47(2) of MiFIR). ESMA therefore is of the view that the fit and proper test is an inherent task of the third-country competent authority and that no further information in that regard is required.
36. The SMSG agreed with the draft technical standards and suggested that further disclosure obligations should be added so to further level the playing field between Union-based and third-country firms:
 - a) The RTS should require third-country firms to appoint a relationship manager for the relationship with ESMA.
 - Third-country firms have to provide ESMA with the name and the contact details of the person in charge of the application at the point of registration (Article 1(1)(b) and Field (2), sub-field (1) of the Annex I of Article 46 RTS) and of the contact person submitting the annual information (Article 2(1)(c) and Field (3) of Annex II). These pieces of information seem sufficient.
 - b) ESMA should receive detailed information on the nature and content of complaints from EU per se professional clients or eligible counterparties.
 - Article 1(3)(h) (and Field (18) of Annex I) requires third-country firms to provide the arrangements to handle complaints at the point of registration. In addition Article 2(1)(r) (and Field (28) of Annex II) of Article 46 RTS requires third-country firms registered with ESMA to provide annual information on (i) the number of complaints, (ii) the most frequent topics, and (iii) the financial instruments they relate to, in each case on a Member State by Member State basis.
 - c) Even if ESMA, or the relevant national competent authorities, have no prudential supervision rights over a third-country entity, it would be advisable to have third-country firms provide ESMA, or the relevant national competent authority, with the last public report regarding prudential and capital adequacy information.
 - ESMA agrees with the SMSG that ESMA’s supervisory tasks with respect to prudential requirements of third-country firms are very limited. Nonetheless, in accordance with Article 47(5) of MiFIR ESMA, ESMA has to monitor (*inter alia*) the



regulatory and supervisory developments in third countries for which equivalence decisions have been adopted by the Commission. This includes the prudential requirements for third-country firms. ESMA's annual report shall also contain such information. Where appropriate, ESMA may consult EBA. ESMA has amended the draft RTS so that it includes information on changes to the third-country prudential regime. Only such information may be required on an annual basis (see Article 2(3)(a) and Field (25), sub-field (1) of Annex II of Article 46 RTS).

- d) Finally, the SMSG recommended that information regarding the implementation and integration of ESG factors should be required.
- ESMA agrees that the information on the integration of ESG factors by third-country firms is important and believes that this aspect should primarily be part of the equivalence assessment of the European Commission.

37. The SMSG also noted that the consequences of poor or incorrect data are not clear.

- ESMA's powers are detailed under new Articles 46-49 MiFIR as amended by the IFR and now include the possibility to (i) request third-country firms to provide additional information and data, (ii) carry out inspections and (iii) suspend or withdraw the registration of a third-country firm. In this respect, in line with the SMSG comment, ESMA encourages the Commission to clarify the consequence of the provision of poor and incomplete data by third-country firms.

38. Finally, ESMA would like to highlight that in order to improve the clarity of the Article 46 RTS the text of Article 1 has been amended and the information requirements are now set forth only in Annex I.

Q2: Taking into account the list of information in Article 46(6a) of MiFIR, as amended by the IFR, do you agree with the list of information that third-country firms providing investment services and investment activities in the Union in accordance with Article 46 of MiFIR should report to ESMA on an annual basis? If no, which items should be added or deleted and for which reasons? Please provide detailed answers.

39. Respondents supported Article 2 of Article 46 draft RTS and recognised that, given ESMA's increased responsibilities, information provided at registration stage should also be reported and updated on an annual basis.

40. However, the need for third-country firms to update ESMA of material changes to the **firms' strategy** (see Article 2(1)(f), and Field (6) of Annex II) has been considered excessive. This information was not needed by ESMA to fulfil its monitoring role under Article 47(5).

41. Article 46(6a)(h) of MiFIR allows ESMA to request third-country firms to provide annual updates of information considered necessary to enable ESMA and national competent authorities to perform their relevant tasks.
42. As for the requirement of third-country firms to update ESMA in case of “any changes” to their **governance arrangements** (Article 2(1)(g) and Fields (7)-(9) of Annex II), a number of respondents suggested to include a materiality threshold as done with respect to most other annual reporting requirements listed in Article 2.
43. ESMA agrees with this comment. The draft RTS has been amended accordingly.
44. Some industry associations pointed out that the information on the global number of **clients and counterparties** and the amount of the global **total net turnover** requested under Article 2(1), letter (k) and (l) seems to go further than what is contemplated by Article 46 (6a) MiFIR, notably in lit. (a) and (d) which, respectively, require a firm to report on the “scale and scope” of the activities carried out in the Union and on the turnover and aggregated value of the assets corresponding to the activities carried out in the Union.
45. Another industry association believes that the request for **complaints data** from third-country firms, including by topic and by financial instrument (Article 2(1)(r) and Field (23) of Annex II) is not in line with the information required under Article 46(6a) MiFIR.
46. ESMA would like to note that Article 46(6a)(h) of MiFIR allows ESMA to ask third-country firms for any other information necessary to enable ESMA or the national competent authorities to carry out their tasks in accordance with MiFIR. ESMA’s tasks are not limited to Article 47(5) of MiFIR (assessment of the equivalence), but also include some monitoring duties. ESMA believes that the information on the global number of clients and counterparties and on the amount of the global total net turnover of the third-country firms is important not only to assess the extent of a third-country firm’s activity in the Union, but also to understand whether the third-country firm predominantly provides services to clients within the Union. Such information should not only be provided at the registration but should be updated annually so that ESMA can detect trends.
47. Moreover, ESMA would like to remind that in accordance with the new Article 49(2), ESMA has the power to withdraw the registration of a third-country firm. To that end, ESMA also believes that it is important to receive regular information about complaints from EU investors as this element may provide an indication of how a third-country firm is behaving.
48. With respect to Article 2(1)(j) and Field (15), sub-fields (2) and (3) of the Annex II, one industry association noted that the **list of financial instruments and services** should only have to be provided if it has changed.
49. ESMA agrees with this comment. The RTS has been amended accordingly.

50. With reference to the information on **compliance, audit and risk management functions** (Article 2 paragraphs (1)(t)-(v) and (3)-(5) and Fields (11), (12) and (13) of Annex II), some respondents noted that many firms (in particular smaller firms) likely do not distinguish between EU and non-EU operations.
51. ESMA would like to point out that the information on risk management and governance arrangements are requested under Article 46(6a) MiFIR. Third-country firms should be able to annually report on how they oversee the services and the activities provided within the EU and the main findings in that area.
52. With reference to the **due date of the annual reports** (both under Article 46 MiFIR and Article 41 MiFID II draft technical standards), one industry association noted that March 31 could be too early due to the granularity and wide scope of the information requested. Another respondent added that differences in fiscal or business calendars should be taken into account. Some data, such as the one relating to all orders and all transactions, might only be available at a later point in time.
53. ESMA understands the concerns and decided to push back the due date for the annual reports to the 30 April (see Article 2(8) of Article 46 RTS and Article 1(3) of Article 41 ITS).
54. In addition, ESMA would like to highlight that in order to improve the clarity of the Article 46 RTS the text of Article 2 has been amended and the information requirements are now set forth only in Annex II.

Q3: Do you have any comments about the format details provided in the draft implementing technical standards under Article 46(8) of MiFIR? If no, what would you add, delete or amend and for which reasons? Please provide detailed answers.

55. No comments

Q4: Do you agree with the additional details provided in the draft implementing technical standards under Article 41(5) of MiFID II? If not, what would you add, delete or amend and for which reasons? Please provide detailed answers.

56. Two respondents noted that ESMA is only mandated to draft implementing technical standards concerning the format of the information listed under the new Article 41 of MiFID II as amended by the IFD and that no additional information requirements should be added.
57. ESMA would like to reiterate that, as explained in the consultation paper (page 17-18), it is appropriate to set out common standards concerning the information requirements across Member States in order to facilitate a harmonised understanding and enforcement among Member States' national competent authorities of the annual reporting obligations, also taking into account the wideness of the list of information under Article 41 of MiFID II (for example, wide reference to governance arrangements and any other relevant



information). This is also in the firms' interest since it helps them comply with the reporting requirements and will also facilitate third-country firms' compliance in cases of branches established in more than one Member State. For such purpose ESMA would like to confirm that it is appropriate to provide details on the information requirements set out in Article 41 of MiFID II by establishing standard forms to provide as much clarity as possible to third-country firms providing investment services and activities through a branch to retail clients and professional clients on request. Further operational technical details on the interfaces (if any) to be used for reporting that information may be set up by the national competent authorities of the Member State where the third-country branch is established to collect and manage the information set out in Article 41(3) of MiFID II and further detailed in the draft implementing technical standards.

58. In addition, considering the request for simplification made by a significant number of respondents, ESMA has made further amendments to the text of the Article 41 ITS with reference (*inter alia*) to the scope of information requirements concerning the reporting on the activities of the compliance, internal audit and risk management functions.

Q5: Do you agree with the cost benefit analysis as it has been described in Annex II?

59. Respondents shared ESMA's identification of the benefits and of the costs. They further agreed that the ESMA proposals provide the most cost-efficient way of achieving ESMA's objectives. In addition, respondents appreciated the harmonised regime which will allow third-country firms to provide cross-border investment services without having to comply with various national third-country regimes.

60. One industry association reported that compliance consultants have estimated the compliance with the new draft requirements of around EUR 10,000 for smaller firms and accordingly more for larger firms (these estimates relate only to the external costs).

61. ESMA integrated the comments in the final cost-benefit analysis attached to this final report.

Q6: Are there any additional comments that you would like to raise and/or information that you would like to provide?

62. A few industry associations mentioned that the list of information to be provided by firms was burdensome for small firms or those that are more limited in scope and only provide ancillary services to institutional investors. Some form of exemption or a more limited data request for such firms seemed warranted to ensure that small and/or lower risk third-country firms may continue to provide their services within the Union. In particular, respondents asked for proportionality and risk-based considerations to be taken into account.

63. ESMA sees the comments concerning the compliance with the new MiFIR regime for third-country firms. However, ESMA would like to point out that firms with a limited scope have to provide only the information that apply to their activities. They do not need to complete the fields that are not relevant for them.
64. With reference to third-country firms registered with ESMA and servicing eligible counterparties and professional clients per se in more than one Member State, one respondent expressed the concern relating to the requirement that (according to Annex II of Article 46 RTS) third-country firms need to provide information broken down for each Member State.
65. ESMA would like to underline that the need for this breakdown stems from the new MiFIR regime. In accordance with Article 46(6a) MiFIR, ESMA is required to communicate the broken-down information annually to the competent authorities of the Member States where the relevant third-country firm provides investment services or performs investment activities. In order to accomplish such task, ESMA needs that information from third-country firms broken down by Member State where the services and activities are provided.
66. The SMSG highlighted that it should be clearer from the RTS and ITS that ESMA can ask for additional information from the third-country entity if ESMA deems it necessary. Consequently, the RTS and ITS should contain the obligation for third-country firms to provide ESMA with any additional information ESMA may request.
67. ESMA sees the SMSG comment and would like to highlight that the possibility to ask for any additional information in accordance with Article 46 MiFIR has already been used in the design of the relevant draft regulatory and implementing technical standards (as reflected under Recital (4) of the draft Article 46 RTS). ESMA would like to add that Article 46 (6a) of MiFIR also sets forth that ESMA may, where necessary, ask the third-country firm to provide any further information in respect of its operations.



Annex IV – Draft regulatory technical standards specifying the information for registration of third- country firms and the information to be reported annually by third-country firms registered with ESMA and repealing Commission Delegated Regulation (EU) 2016/2022

COMMISSION DELEGATED REGULATION (EU) [•]/[•]

of [•]

supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information for registration of third-country firms and the information to be reported annually by third-country firms registered with ESMA and repealing Commission Delegated Regulation (EU) 2016/2022

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ⁽⁶⁾, and in particular Article 46(7) thereof,

Whereas:

- (1) Regulation (EU) No 600/2014 sets out a harmonised framework for the treatment of third-country firms providing investment services and performing investment activities with or without ancillary services to eligible counterparties and to professional clients within the meaning of Section I of Annex II to Directive 2014/65/EU of the European Parliament and of the Council ⁽⁷⁾ established throughout the Union without the establishment of a branch.

⁶ OJ L 173, 12.6.2014, p. 84.

⁷ Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (OJ L 173, 12.6.2014, p. 349).



- (2) Commission Delegated Regulation (EU) 2016/2022 ⁽⁸⁾ sets out the information that a third-country firm applying for the provision of investment services or performance of investment activities throughout the Union should provide to the European Securities and Markets Authority (ESMA).
- (3) The amendments to Regulation (EU) No 600/2014 made by Regulation (EU) 2019/2033 of the European Parliament and of the Council ⁽⁹⁾ require third-country firms providing investment services or performing investment activities in accordance with Article 46 of Regulation (EU) No 600/2014 to report annually to ESMA.
- (4) It is appropriate to set out the information that a third-country firm applying for the provision of investment services or performance of investment activities throughout the Union should provide to ESMA and the information to be reported to ESMA in accordance with Article 46(6a) of Regulation (EU) No 600/2014 in order to establish uniform requirements relating to third-country firms.
- (5) In order to enable ESMA to correctly identify and register the third-country firms, ESMA should be provided with their contact details, their national and international identification codes and with proof and details of their authorisation to provide investment services in the country where the firm is established.
- (6) In order to enable the accomplishment of the tasks of ESMA in accordance with Regulation (EU) No 600/2014 and facilitate the alignment between information required on an annual basis and the information to be submitted at registration stage, third-country firms applying for the provision of investment services or performance of investment activities throughout the Union should provide ESMA with the information listed in Article 46(6a) of Regulation (EU) No 600/2014.
- (7) In order to enable ESMA to understand and monitor the scale and scope of these investment services and investment activities, as a specification of the information requirement set forth in Article 46(6a) letter (a) of Regulation (EU) No 600/2014, ESMA should be provided with information on the competent authorities of the third country responsible for the supervision of the third-country firm, how the activities of the third-country firm in the Union will contribute to the strategy of the third-country firm or that of

⁸ Commission Delegated Regulation (EU) 2016/2022 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards concerning the information for registration of third-country firms and the format of information to be provided to the clients (OJ L 313, 19.11.2016, p. 11).

⁹ 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 (OJ L 314, 5.12.2019, p. 1).



its group, the outsourcing arrangements of the third-country firm in relation to its operations in the Union, the structure, organisation and monitoring activities of the control functions of the third-country firm with a focus on the operations in the Union, the number of clients and counterparties of the third-country firm in the Union and globally, the number of complaints received by the third-country firm in relation to its operations in the Union and the marketing activities of the third-country firm in the Union.

- (8) This Regulation is based on the draft regulatory technical standards submitted to the Commission by ESMA.
- (9) ESMA has conducted open public consultations on the draft regulatory technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽¹⁰⁾.
- (10) Since this Delegated Regulation replaces Commission Delegated Regulation (EU) 2016/2022, the latter should be repealed.
- (11) This Delegated Regulation supplements provisions of Regulation (EU) No 600/2014 that have been amended by Regulation (EU) 2019/2033 with effect from 26 June 2021. It is therefore necessary to defer the application of this Delegated Regulation to the same date.

¹⁰ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p.84).



HAS ADOPTED THIS REGULATION:

Article 1

Information necessary for the registration

A third-country firm applying for registration to provide investment services or perform investment activities throughout the Union in accordance with the second subparagraph of Article 46(4) of Regulation (EU) No 600/2014 shall submit to ESMA the information set out in Annex I.

Article 2

Information to be provided to ESMA annually

1. A third-country firm providing investment services or performing investment activities in the Union in accordance with Article 46 of Regulation (EU) No 600/2014 shall, on an annual basis, submit to ESMA the information set out in Annex II.
2. The information referred to in paragraph 1 shall be submitted by 30 April of each year and shall cover the period from 1 January to 31 December of the preceding calendar year.

Article 3

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 26 June 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [●].

For the Commission

The President



Ursula VON DER LEYEN

ANNEX I

Information to be provided to ESMA in accordance with Article 1 (Information necessary for the registration)

Field		Sub-field		Description
1	Information identifying the third-country firm	1	Registration and time date	Date and time when the third-country firm applied for registration to ESMA automatically registered by the ESMA system
		2	LEI	Legal entity identifier of the third-country firm
		3	Full legal name	Full legal name of the third-country firm
		4	Legal form	Legal form of incorporation under national legislation

Field		Sub-field		Description
		5	Registered address	Registered address of the head office
		6	Country of the head office	Country of the head office
		7	Postal address	Operating address from where the services and activities are provided, if different from the registered address of the head office
		8	Country of the postal address	Country of the postal address, if different from the country of the head office

Field		Sub-field		Description
		9	National ID	National identifier of the third-country firm
2	Name and contact details of the person in charge of the application	1	Contact person full name	Full first name(s) and surname(s) of the contact person
		2	Contact person address	
		3	Contact person telephone number	

Field		Sub-field		Description
		4	Contact person email address	
		5	Contact person function	Function and/or title of the contact person within the third-country firm
3	Competent authorities of the third country that are responsible for the supervision of the third-country firm	If more than one national competent authority (NCA) is responsible for the supervision of the third-country firm, sub-fields 1 to 6 below are to be repeated and completed for each NCA		

Field		Sub-field		Description
		1	NCA name	Name of the NCA of the third-country responsible for the supervision of the third-country firm
		2	NCA address	Address of the NCA
		3	NCA country	Country of the NCA

Field		Sub-field		Description
		4	NCA competences	In case multiple NCAs are responsible for the supervision of the third-country firm, details of the area(s) of competence of the relevant NCA
		5	NCA register	When available, the URL to the register showing the details of the third-country firms, individuals and other bodies that are authorised and/or supervised by the relevant NCA
		6	Other proof of authorisation	If the URL to the register of the relevant NCA is not available, other proof of the third-country firm authorisation to provide investment services in the third country where it is established

Field		Sub-field		Description
4	Information on the investment services, investment activities and ancillary services the third-country firm is authorised to provide	1	Investment services, investment activities and ancillary services the third-country firm is authorised to provide	The list of investment services, investment activities and ancillary activities (as defined in Sections A and B of Annex I to Directive 2014/65/EU) the third-country firm is authorised to provide in the third country where it is established

Field		Sub-field		Description
		2	Written declaration of the NCA	Written declaration issued by the NCA responsible for the supervision of the third-country firm detailing the services that it is authorised to provide

Field		Sub-field		Description
		3	Financial instruments	The list of financial instruments (as defined in Section C of Annex I to Directive 2014/65/EU) in relation to which such investment services, investment activities and ancillary services may be performed

Field	Sub-field	Description
5	Information on the investment services, investment activities and ancillary services to be provided in the Union, the expected number of clients and counterparties, the expected annual turnover and aggregated value of the assets corresponding to the services and activities to be provided in the Union	If the third-country firm plans to provide services in more than one Member State, sub-fields 1-7 are to be repeated and completed for each Member State

Field		Sub-field		Description
		1	Member State	Member State in which the third-country firm intends to provide investment services, investment activities or ancillary services

Field		Sub-field		Description
		2	Investment services, investment activities and ancillary services	The list of investment services, investment activities and ancillary services (as defined in Sections A and B of Annex I to Directive 2014/65/EU) the third-country firm intends to provide in the Member State

Field		Sub-field		Description
		3	Financial instruments	Categories of financial instruments (as defined in Section C of Annex I to Directive 2014/65/EU) in relation to which such services and activities are intended to be performed

Field		Sub-field		Description
		4	Expected number of clients	The number of clients in the Member State expected at the end of first year of activity

Field		Sub-field		Description
		5	Expected annual turnover	The amount derived from the provision of services and activities in the Member State expected in the first year of activity

Field		Sub-field		Description
		6	Expected aggregated value of the assets	The amount of the aggregated value of the assets corresponding to the services and activities to be provided in the Member State expected at the end of the first year of activity

Field		Sub-field		Description
		7	Currency of the annual turnover and of the aggregated value of the assets	The third-country firm shall indicate the currency in which the amount of the expected annual turnover
6	Information on how the activities of the third-country firm in the Union will contribute to the strategy of the third-country firm or, where relevant, that of its group	n/a	n/a	Information on how the activities of the third-country firm in the Union will contribute to the strategy of the third-country firm or its group (if relevant), including the reasoning behind the choice of the third-country firm or of its group (if relevant) to provide services in the Union on a cross-border basis rather than to establish branches or subsidiaries

Field		Sub-field	Description
7	Members of the management body of the third-country firm	Sub-fields 1-7 are to be repeated and completed for each of the members of the management body of the third-country firm	
		1	Full name

Field		Sub-field		Description
		2	Country of domicile	Country of domicile of the member of the management body
		3	Postal address	If different from the address of domicile, the postal address of the member of the management body
		4	Country of postal address	If the postal address of the member of the management body is different from that of its domicile, the country of the postal address
		5	Telephone number	Telephone number of the member of the management body
		6	Email address	Email address of the member of the management body
		7	Position	Position at which the member of the management body is/will be appointed

Field		Sub-field	Description	
8	Other persons who effectively direct the business concerning the activity in the Union	Sub-fields 1-7 are to be repeated and completed for each of the other persons who effectively direct the business of the third-country firm		
		1	Full name	Full first name(s) and surname(s) of the relevant person who effectively direct the business.
		2	Country of domicile	Country of domicile of the person who effectively directs the business.
		3	Postal address	If different from the address of domicile, the postal address of the person who effectively directs the business.
		4	Country of postal address	If the postal address of the person who effectively directs the business is different from that of its domicile, the country of the postal address.

Field		Sub-field		Description
		5	Telephone number	Telephone number of the person who effectively directs the business.
		6	Email address	Email address of the person who effectively directs the business
		7	Position	Position at which the person who effectively directs the business is/will be appointed
9	Key function holders for the services and activities of the third-country firm in the Union, including the CFO and CEO, the heads of internal control functions responsible for the oversight of the	Sub-fields 1-8 are to be repeated and completed for each of the key function holders for the activities of the third-country firm in the Union		
		1	Full name	Full first name(s) and surname(s) of the key function holder
		2	Country of domicile	Country of domicile of the key function holder

Field		Sub-field		Description
activities of the third-country firm in the Union and the individuals responsible for the day-to-day operations of the third-country firm in the Union	3	Postal address	If different from the address of domicile, the postal address of the key function holder	
	4	Country of postal address	If the postal address of the key function holder is different from of the address of domicile, the country of the postal address	
	5	Telephone number	Telephone number of the key function holder	
	6	Email address	Email address of the key function holder	
	7	Position	Position at which the key function holder is/will be appointed	
	8	Reporting line	Description of the reporting lines between the key function holder and the management body of the third country firm	

Field		Sub-field		Description
10	Description of the marketing strategy that the third-country firm plans to use for the investment services, investment activities and ancillary services provided in the Union	1	Planned marketing strategy -summary	Brief summary of the planned marketing strategy of the third-country firm in the Union
		2	Planned marketing strategy – Full description	Full description of the planned marketing strategy of the third-country firm in the Union, including its geographical scope and details about the marketing means the third-country firm plans to use (such as any agents, roadshows, telephone calls, websites)
		3	Planned marketing strategy – websites	The list of websites that the third-country firm intends to use to market the services and activities in the Union

Field		Sub-field	Description
		Sub-fields 4-7 are to be repeated and completed for each of the trading and commercial names that the third-country firm intends to use in the Union	
		4	Trading and commercial name The relevant trading or commercial name to be used by the third-country firm in the Union
		5	Trading/commercial name country The list of Member States in which the relevant trading or commercial name will be used by the third-country firm in the Union

Field		Sub-field		Description
		6	Trading/commercial name – type of investment services and activities	The list of investment services, investment activities and ancillary services (as defined in Sections A and B of Annex I to Directive 2014/65/EU) for which the relevant trading or commercial name will be used in the Union
		7	Trading/commercial name – categories of clients	The list of categories of clients with which the relevant trading or commercial name will be used in the Union
11	Languages the third-country firm plans to use with its clients in the Union	Sub-fields 1-2 are to be repeated and completed for each language that the third-country firm intends to use with its clients in the Union		
		1	Language	The language the third country firm intends to use with its clients in the Union

Field		Sub-field		Description
		2	Description of the types of clients and services and activities for which the language will be used	A description of the types of clients and the services and activities in the Union the third-country firm will be using the language
		3	Explanation of potential issues	Explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects
12	Arrangements of the third-country firm to comply with the information requirements under Article 46 of Regulation (EU) 600/2014	In the description provided for Field 12 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects		
		n/a	Description of arrangements of the third-country firm to comply with the information requirements of	The description of the arrangements the third-country firm has in place to comply with the first and second subparagraphs of Article 46(5) and with Article 46(6) of Regulation (EU) No 600/2014

Field		Sub-field		Description
			Article 46 of Regulation (EU) No 600/2014	
13	Where the third-country firm provides portfolio management and investment advice, the arrangements of the third-country firm to ensure that such investment services provided to its clients are suitable	In the description provided for sub-fields 1-6 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects		
		1	Description of the scope of the suitability arrangements of the third-country firm	The description of the investment services, investment activities and financial instruments giving rise to an assessment by the third-country firm to ensure that such services, activities and financial instruments are suitable, together with the categories of clients for whom such assessment applies and, if relevant, the different levels of assessment carried out

Field		Sub-field		Description
		2	Description of the information collected by the third-country firm for the suitability assessment	The description of what kind of information is collected by the third-country firm from its clients to ensure that the investment services, investment activities and financial instruments provided to clients are suitable, together with the means used by the third-country firm to collect such information
		3	Description of the arrangements of the firm to manage the information collected	The description of the arrangements of the third-country firm to ensure that the information collected from its clients is reliable, proportionate and up-to-date

Field		Sub-field		Description
		4	Description of the suitability assessment process	The description of the arrangements of the third-country firm to ensure that a specific investment service, investment activity or financial instrument selected is suitable
		5	Description of the information provided to the client about the suitability assessment	The description of the information provided to the client about the results of the assessment carried out by the third-country firm (such as reports or warnings) and what happens if the assessment carried out by the third-country firm is negative
		6	Description of the record-keeping arrangements in relation to the suitability assessment of the third-country firm	The description of the arrangements of the third-country firm to maintain adequate record-keeping arrangements in relation to all material aspects of the assessment process to ensure that the investment services, investment activities and financial instruments selected are suitable to clients

Field	Sub-field	Description
14	Where the third-country firm executes orders for its clients, the arrangements of the third-country firm to execute such orders on terms most favourable to the client	<p>In the description provided for sub-fields 1-3 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects</p>
	1	<p>The description of the processes and/or procedures of the third-country firm that enables it to obtain, when executing orders, the best possible result for its clients taking into account price, costs, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order</p>

Field		Sub-field		Description
		2	Information on the trading venues used	For each class of financial instruments, information on the different venues where the third-country firm executes its client orders and the factors affecting the choice of execution venue, including at least those venues that the investment third-country firm uses to enable it to obtain on a consistent basis the best possible result for the execution of client orders
		3	Information on the monitoring arrangements of the third-country firm regarding its best execution processes and policy	Description of the process/procedures the third-country firm has put in place to monitor the effectiveness of its order execution arrangements and execution policy, including the processes to correct any deficiencies

Field	Sub-field	Description
15	Where the third-country firm executes orders on behalf of clients, the arrangements of the third-country firm for the prompt, fair and expeditious execution of client orders	In the description provided for Field 15 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects

Field		Sub-field		Description
		n/a	Client order handling arrangements	Description of the procedures and arrangements which provide for the prompt, fair and expeditious execution of client orders, relative to other client orders or the trading interests of the investment third-country firm, including a description of how these procedures and arrangements allow for the execution of otherwise comparable client orders in accordance with the time of their reception

Field	Sub-field	Description
16	Where the third-country firm manufactures financial instruments for sale to clients, any product governance arrangements of the third-country firm	In the description provided for sub-fields 1-2 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects

Field		Sub-field		Description
		1	Arrangements of the third-country firm to identify the target market	Description of the processes/procedures of the third-country firm to identify/assess the target market and negative target market (end clients for whose needs and objectives the products are intended and clients for whom the product is incompatible) of the products the third-country firm manufactures or distributes
		2	Arrangements of the third-country firm to define the distribution strategy for the products it manufactures	Description of how the third-country firm defines the distribution strategy for the products to ensure their distribution to the defined target market (for example choice of distributors, channels, investment service(s) through which the product should be sold)

Field		Sub-field	Description
17	The arrangements of the third-country firm to identify, prevent and manage conflicts of interest		In the description provided for Field 17 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects
		n/a	Description of the measures the third-country firm has put in place to identify and to prevent or manage conflicts of interest that arise in the course of providing investment and ancillary services, including those arising from the remuneration policy of persons involved in the provision of those services
18	The arrangements of the third-country firm to handle complaints		In the description provided for sub-fields 1-5 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects

Field		Sub-field		Description
		1	Clients complaint procedure	Description of the procedure clients of the third-country firm in the Union need to follow to lodge a complaint
		2	Department of the third-country firm responsible for handling complaints from clients in the Union	The brief description of the department responsible for handling the complaints of clients of the third-country firm in the Union and the number of persons of that department assigned to such task
		3	Languages	The list of languages in which clients must lodge their complaints

Field		Sub-field		Description
		4	Competent court(s)	The list of competent courts (in case of litigation) referred to in any contractual arrangements between the third-country firm and clients in the Union
		5	Alternative dispute resolution	The alternative dispute resolution (ADR) entity/ies competent to deal with cross-border disputes involving clients in the Union
19	Membership of the third-country firm in an investor compensation scheme	In the description provided for Field 19 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects		

Field		Sub-field		Description
		n/a	Investor compensation scheme	The description of the membership of the third-country firm in an investor compensation scheme including whether Union clients and counterparties of the third-country firm will be eligible to such scheme, its scope, a description of the eligibility conditions and the amounts and financial instruments covered by the scheme
20	Arrangements of the third-country firm to safeguard the funds and assets of its clients	In the description provided for Field 20 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects		

Field		Sub-field		Description
		n/a	Client funds and client assets safeguarding arrangements	The description of any client fund or client asset safeguarding arrangements (in particular, where financial instruments and funds are held in a custodian, the name of the custodian, and related contracts)
21	Other arrangements that the third-country firm may deem relevant to the provision of services and performance of its activities in the Union in an honest, fair and professional manner that promotes the interests of clients	In the description provided for Field 21 the third-country firm shall include an explanation of potential issues that may arise due to the cross-border nature of the services provided or activities performed and how the third-country firm plans to address those issues, including organisational and technological aspects		
		n/a	Other investor protection arrangements	The description of any other arrangements that the third-country firm may deem relevant to the provision of services and performance of its activities in the Union in an honest, fair and professional manner that promotes the interests of clients

Field		Sub-field	Description	
22	Information on the outsourcing arrangements of the third-country firm affecting the operations of the third-country firm in the Union	Sub-fields 1-2 below are to be repeated and completed for each critical or important operational function outsourced (or intended to be outsourced) by the third-country firm		
		1	Critical or important operational function outsourced	The relevant critical or important operational function outsourced (or intended to be outsourced) by the third-country firm, together with its description
		2	Resources allocated to the control of outsourced functions	The description of the resources (in particular, human and technical, and the internal control system) allocated to the control of the relevant critical or important outsourced function

Field		Sub-field		Description
23	Information on the structure, organisation of and monitoring by the compliance function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union	1	Compliance function – summary	A brief summary of the structure of the compliance function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union and on how possible risks of failures by the third-country firm or its staff are discovered at an early stage
		2	Compliance function structure – full description	The full description of the structure of the compliance function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union, including the number of staff in charge of operations in the Union, their qualifications and reporting lines
		3	Number of staff in charge of operations in the Union	The number of staff of the compliance function (or equivalent) of the third-country firm which are in charge of operations in the Union

Field		Sub-field		Description
		4	Monitoring and risks	The full description of how the compliance function monitors operations in the Union and how possible risks of failures by the third-country firm or its staff are discovered at an early stage
24	Information on the structure, organisation of and monitoring by the internal audit function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union	1	Internal audit function – summary	A brief summary of the structure of the internal audit function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union and on how possible risks of failures by the third-country firm or its staff are discovered at an early stage
		2	Internal audit function structure – full description	The full description of the structure of the internal audit function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union, including the number of staff in charge of operations in the Union, their qualifications and reporting lines

Field		Sub-field		Description
		3	Number of staff in charge of operations in the Union	The number of staff of the internal audit function (or equivalent) of the third-country firm which are in charge of operations in the Union
		4	Monitoring and risks	The full description of how the internal audit function monitors operations in the Union and how possible risks of failures by the third-country firm or its staff are discovered at an early stage
25	Information on the structure, organisation of and monitoring by the risk management function (or equivalent) of the third-country firm	1	Risk management function – summary	A brief summary of the structure of the risk management function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union and on how possible risks of failures by the third-country firm or its staff are discovered at an early stage

Field		Sub-field		Description
	insofar as it relates to the operations of the third-country firm in the Union	2	Risk management function structure – full description	The full description of the structure of the risk management function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union, including the number of staff in charge of operations in the Union, their qualifications and reporting lines
		3	Number of staff in charge of operations in the Union	The number of staff of the risk management function (or equivalent) of the third-country firm which are in charge of operations in the Union
		4	Monitoring and risks	The full description of how the risk management function monitors operations in the Union and how possible risks of failures by the third-country firm or its staff are discovered at an early stage

Field		Sub-field		Description
26	Arrangements and procedures to report the information set out in Annex II	1	Whether the third-country firm has arrangements and procedures in place to report the information in Annex II	Whether the firm has established the necessary arrangements and procedures to report the information set out in Annex II
		2	Arrangements and procedures of the firm to report the information set out in Annex II	The brief summary of the arrangements and procedures the firm has put in place to report the information set out in Annex II to ESMA
27	Any other information that the third-country firm deems relevant to ESMA	n/a	Additional information	The description of any information that the third-country firm deems relevant to ESMA

Field		Sub-field		Description
28	Information on the arrangements set up for algorithmic trading, for high frequency trading (HFT) and for direct electronic access (DEA)	1	Arrangements for the algorithm trading	Description of the arrangements (including IT arrangements) set up by the third-country firm for algorithmic trading
		2	Arrangements for the high frequency trading	Description of the arrangements (including IT arrangements) set up by the third-country firm for the high frequency trading
		3	Arrangements for the direct electronic access	Description of the arrangements (including IT arrangements) set up by the third-country firm for the direct electronic access

ANNEX II

Information to be provided to ESMA in accordance with Article 2 (Information to be provided to ESMA annually)

Field		Sub-field		Description
1	Reporting period	1	Reporting start date	The reporting start date for the calendar year
		2	Reporting end date	The reporting end date for the calendar year
2	Information identifying the third-country firm	Field 2 is only to be filled in case of any change to the information previously reported to ESMA		
		1	LEI	Legal entity identifier of the third-country firm
		2	Full legal name	Full legal name of the third-country firm
		3	Legal form	Legal form of incorporation under national legislation
		4	Registered address	Registered address of the head office

Field		Sub-field		Description
		5	Country	Country of the head office
		6	Postal address	Operating address for where the services and the activities will be provided, if different from the registered address of the head office
		7	Country of the postal address	Country of the postal address, if different from the country of the head office
		8	National ID	National identifier of the third-country firm
3	Name and contact details of the person in charge of submitting the information	1	Contact person full name	Full first name(s) and surname(s) of the contact person
		2	Contact address person	

Field		Sub-field		Description
		3	Contact person telephone number	
		4	Contact person email address	
		5	Contact person function	Function and/or title of the contact person within the third-country firm
4	Competent authorities of the third country that are responsible for the supervision of the third-country firm	<p>Field 4 is only to be filled in case of any change to the information previously reported to ESMA</p> <p>If more than one NCA is responsible for the supervision of the third-country firm, sub-fields 1 to 6 below are to be repeated and completed for each NCA</p>		

Field		Sub-field		Description
		1	NCA name	Name of the national competent authority (NCA) of the third-country responsible for the supervision of the third-country firm
		2	NCA address	Address of the NCA
		3	NCA country	Country of the NCA
		4	NCA competences	In case multiple NCAs are responsible for the supervision of the third-country firm, details of the area(s) of competence of the relevant NCA

Field		Sub-field		Description
		5	NCA register	When available, the URL to the register showing the details of the third-country firms, individuals and other bodies that are authorised and/or supervised by the relevant NCA
		6	Other proof of authorisation	If the URL to the register of the relevant NCA is not available, other proof of the third-country firm authorisation to provide investment services in the third country where it is established
5	Information on the investment services, investment activities and ancillary services the third-country firm is authorised to provide	Field 5 is only to be filled in case of any change to the information previously reported to ESMA		

Field		Sub-field		Description
		1	Investment services, investment activities and ancillary services the third-country firm is authorised to provide	The list of investment services, investment activities and ancillary services (as defined in Sections A and B of Annex I to Directive 2014/65/EU) the third-country firm is authorised to provide in the third country where it is established.

Field		Sub-field		Description
		2	Written declaration of the NCA	Written declaration issued by the NCA responsible for the supervision of the third-country firm detailing the services that it is authorised to provide
		3	Financial instruments	The list of financial instruments (as defined in Section C of Annex I to Directive 2014/65/EU) in relation to which such investment services, investment activities and ancillary services may be performed

Field		Sub-field		Description
6	Information on how the activities of the third-country firm in the Union contribute and will contribute to the strategy of the third-country firm or, where relevant, that of its group	Field 6 is only to be filled in case of any material change to the information previously reported to ESMA		
		n/a	n/a	Information on how the activities of the third-country firm in the Union contribute and will contribute to the strategy of the third-country firm or its group (if relevant), including the reasoning behind the choice of the third-country firm or of its group (if relevant) to provide services in the Union on a cross-border basis rather than to establish branches or subsidiaries
7	Members of the management body of the third-country firm	Field 7 is only to be filled in case of any material change to the information previously reported to ESMA and in case of any change to the information reported with regard to sub-field 7		

Field	Sub-field	Description
		<p>Sub-fields 1-7 are to be repeated and completed for each of the members of the management body of the third-country firm</p>
	1	<p>Full name</p> <p>Full first name(s) and surname(s) of the member of the management body</p>

Field		Sub-field		Description
		2	Country of domicile	Country of domicile of the member of the management body
		3	Postal address	If different from the address of domicile, the postal address of the member of the management body
		4	Country of postal address	If the postal address of the member of the management body is different from that of its domicile, the country of the postal address
		5	Telephone number	Telephone number of the member of the management body
		6	Email address	Email address of the member of the management body
		7	Position	Position at which the member of the management body is/will be appointed
8	Other persons who effectively direct the business concerning the activity in the Union	<p>Field 8 is only to be filled in case of any material change to the information previously reported to ESMA and in case of any change to the information reported with regard to sub-field 7</p> <p>Sub-fields 1-7 are to be repeated and completed for each of the persons who effectively direct the business of the third-country firm</p>		

Field		Sub-field		Description
		1	Full name	Full first name(s) and surname(s) of the relevant person who effectively direct the business
		2	Country of domicile	Country of domicile of the person who effectively directs the business
		3	Postal address	If different from the address of domicile, the postal address of the relevant person who effectively directs the business
		4	Country of postal address	If the postal address of the person who effectively directs the business is different from that of its domicile, the country of the postal address
		5	Telephone number	Telephone number of the person who effectively directs the business.
		6	Email address	Email address of the person who effectively directs the business
		7	Position	Position at which the person who effectively directs the business is/will be appointed
9	Key function holders for the services and activities of the third-country firm in the Union, including the CFO and CEO, the heads of internal control functions responsible for the	<p>Field 9 is only to be filled in case of any material change to the information previously reported to ESMA and in case of any change to the information reported with regard to sub-fields 7 and 8</p> <p>Sub-fields 1-8 are to be repeated and completed for each of the key function holders for the activities of the third-country firm in the Union</p>		

Field		Sub-field		Description
oversight of the activities of the third-country firm in the Union and the individuals responsible for the day-to-day operations of the third-country firm in the Union	1	Full name	Full first name(s) and surname(s) of the key function holder	
	2	Country of domicile	Country of domicile of the key function holder	
	3	Postal address	If different from the address of domicile, the postal address of the key function holder	
	4	Country of postal address	If the postal address of the key function holder is different from that of its domicile, the country of the postal address	
	5	Telephone number	Telephone number of the key function holder	
	6	Email address	Email address of the key function holder	
	7	Position	Position at which the key function holder is/will be appointed	
	8	Reporting line	The description of the reporting lines between the key function holders and the management body of the third-country firm	

Field		Sub-field	Description	
10	Information on the outsourcing arrangements of the third-country firm affecting the operations of the third-country firm in the Union	Field 10 is only to be filled in case of any material change to the information previously reported to ESMA		
		Sub-fields 1-2 below are to be repeated and completed for each critical or important operational function outsourced (or intended to be outsourced) by the third-country firm		
		1	Critical or important operational function outsourced	The relevant critical or important operational function outsourced (or intended to be outsourced) by the third-country firm, together with its description
		2	Resources allocated to the control of outsourced functions	The description of the resources (in particular, human and technical, and the internal control system) allocated to the control of the relevant critical or important outsourced function
11	Information on the structure, organisation of and monitoring by the compliance function (or equivalent) of the third-country firm	Field 11 is only to be filled in case of any material change to the information previously reported to ESMA		

Field		Sub-field		Description
		1	Compliance function – summary	A brief summary of the structure of the compliance function (or equivalent) of the third-country firm insofar as it relates to the operations in the Union and how possible risks of failures by the third-country firm or its staff are discovered at an early stage
		2	Compliance function structure – full description	The full description of the structure of the compliance function (or equivalent) of the third-country firm insofar as it relates to the operations in the Union, including the number of staff in charge of operations in the Union, their qualifications and reporting lines
		3	Number of staff in charge of operations in the Union	The number of staff of the compliance function (or equivalent) of the third-country firm which are in charge of operations in the Union
		4	Monitoring and risks	The full description of how the compliance function monitors operations in the Union and how possible risks of failures by the third-country firm or its staff are discovered at an early stage

Field		Sub-field	Description	
12	Information on the structure, organisation of and monitoring by the internal audit function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union	Field 12 is only to be filled in case of any material change to the information previously reported to ESMA		
		1	Internal audit function – summary	A brief summary of the structure of the internal audit function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union and on how possible risks of failures by the third-country firm or its staff are discovered at an early stage
		2	Internal audit function structure – full description	The full description of the structure of the internal audit function (or equivalent) of the third-country firm, including the number of staff in charge of operations in the Union, their qualifications and reporting lines
		3	Number of staff in charge of operations in the Union	The number of staff of the internal audit function (or equivalent) of the third-country firm which are in charge of operations in the Union

Field		Sub-field		Description
		4	Monitoring and risks	The full description of how the internal audit function monitors operations in the Union and how possible risks of failures by the third-country firm or its staff are discovered at an early stage
13	Information on the structure, organisation of and monitoring by the risk management function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union	Field 13 is only to be filled in case of any material change to the information previously reported to ESMA		
		1	Risk management function – summary	A brief summary of the structure of the risk management function (or equivalent) of the third-country firm insofar as it relates to the operations of the third-country firm in the Union and on how possible risks of failures by the third-country firm or its staff are discovered at an early stage
		2	Risk management function structure – full description	The full description of the structure of the risk management function (or equivalent) of the third-country firm, including the number of staff in charge of operations in the Union, their qualifications and reporting lines

Field		Sub-field		Description
		3	Number of staff in charge of operations in the Union	The number of staff of the risk management function (or equivalent) of the third-country firm which are in charge of operations in the Union
		4	Monitoring and risks	The full description of how the risk management function monitors operations in the Union and how possible risks of failures by the third-country firm or its staff are discovered at an early stage
14	Any material change to other information that the third-country firm considered to be relevant and previously reported to ESMA	Field 14 is only to be filled in case of any change to the information previously reported to ESMA		

Field		Sub-field		Description
		n/a	Additional information	The description of any information that the third-country firm deems relevant to ESMA
15	Information on the investment services, investment activities and ancillary services provided in the Union, the estimated number of clients and counterparties, the annual turnover and aggregated value of the assets corresponding to the services	<p>Sub-fields 2 and 3 are only to be filled in case of any change to the information previously reported to ESMA</p> <p>If the third-country firm provides services or activities in more than one Member State , sub-fields 1-7 are to be repeated and completed for each Member State</p>		

Field		Sub-field		Description
		1	Member State	Member State in which the third-country firm provides investment services, investment activities or ancillary services (as defined in Sections A and B of Annex I to Directive 2014/65/EU)
		2	Investment services, activities and ancillary services	The list of investment services, investment activities and ancillary services (as defined in Sections A and B of Annex I of Directive 2014/65/EU) the third-country firm provides in the relevant Member State

Field		Sub-field		Description
		3	Financial instruments	Categories of financial instruments (as defined in Section C of Annex I of Directive 2014/65/EU) in relation to which such services and activities may be performed
		4	Estimated number of clients and counterparties	The estimated number of clients and counterparties in the relevant Member State at the end of the reporting period

Field		Sub-field		Description
		5	Annual turnover	The amount derived from the provision of services and activities in the relevant Member State during the reporting period
		6	Aggregated value of the assets	The amount of aggregated value of the assets corresponding to the services and activities provided in the Member State

Field		Sub-field		Description
		7	Currency of the annual turnover and of the aggregated value of the assets	The third-country firm shall indicate the currency in which the amount of the annual turnover and the aggregated value of the assets for the relevant Member State are expressed
16	Estimated total number of clients and counterparties of the third-country firm globally	n/a	n/a	The estimated total number of clients and counterparties of the third-country firm globally

Field		Sub-field		Description
17	Annual turnover of the third-country firm globally	1	Annual turnover of the third-country firm globally	The amount of the global annual turnover
		2	Currency of the annual turnover	The third-country firm shall indicate the currency in which the amount of the global annual turnover is expressed

Field		Sub-field		Description
18	Where the third-country firm performs the activity of dealing on own account as referred to in point (3) of Section A of Annex I to Directive 2014/65/EU, information on the exposure of the third country firm to counterparties in the Union	1	Monthly minimum exposure of the third-country firm to counterparties in the Union	The amount of the monthly minimum exposure of the third-country firm to counterparties in the Union
		2	Currency of the monthly minimum exposure of the third-country firm to counterparties in the Union	The third-country firm shall indicate the currency in which the amount of the monthly minimum exposure of the third-country firm to counterparties in the Union is expressed

Field		Sub-field		Description
		3	Monthly average exposure of the third-country firm to counterparties in the Union	The amount of the monthly average exposure of the third-country firm to counterparties in the Union
		4	Currency of the monthly average exposure of the third-country firm to counterparties in the Union	The third-country firm shall indicate the currency in which the amount of the monthly average exposure of the third-country firm to counterparties in the Union is expressed

Field		Sub-field		Description
		5	Monthly maximum exposure of the third-country firm to counterparties	The amount of the monthly maximum exposure of the third-country firm to counterparties in the Union
		6	Currency of the monthly maximum exposure of the third-country firm to counterparties in the Union	The third-country firm shall indicate the currency in which the amount of the monthly maximum exposure of the third-country firm to counterparties in the Union is expressed

Field		Sub-field	Description
		Sub-fields 7-13 shall be repeated for each Member State where the third-country firm performs the activity referred to in point (3) of Section A of Annex I to Directive 2014/65/EU	
	7	Member State where the third-country firm performs activity (3) of Section A of Annex I to Directive 2014/65/EU	Member State where the third-country firm performs activity (3) of Section A of Annex I to Directive 2014/65/EU

Field		Sub-field		Description
		8	Monthly minimum exposure of the third-country firm to counterparties in the Member State	Amount of the monthly minimum exposure of the third-country firm to counterparties in the Member State
		9	Currency of the monthly minimum exposure of the third-country firm to counterparties in the Member State	The third-country firm shall indicate the currency in which the amount of the monthly minimum exposure of the third-country firm to counterparties in the Member State is expressed

Field		Sub-field		Description
		10	Monthly average exposure of the third-country firm to counterparties in the Member State	Amount of the monthly average exposure of the third-country firm to counterparties in the Member State
		11	Currency of the monthly average exposure of the third-country firm to counterparties in the Member State	The third-country firm shall indicate the currency in which the amount of the monthly average exposure of the third-country firm to counterparties in the Member State is expressed

Field		Sub-field		Description
		12	Monthly maximum exposure of the third-country firm to counterparties in the Member State	The amount of the monthly maximum exposure of the third-country firm to counterparties in the Member State
		13	Currency of the monthly maximum exposure of the third-country firm to counterparties in the Member State	The third-country firm shall indicate the currency in which the amount of the monthly maximum exposure of the third-country firm to counterparties in the Member State is expressed

Field		Sub-field		Description
19	Where the third-country firm provides the service of underwriting and placing of financial instruments and/or placing of financial instruments on a firm commitment basis as referred to in point (6) of Section A of Annex I to Directive 2014/65/EU, the total value of financial instruments originating from counterparties in the Union and underwritten or placed on a firm commitment basis	1	Total value of financial instruments	Total value of financial instruments originating from counterparties in the Union underwritten or placed on a firm commitment basis during the reporting period
		2	Currency of the total value of financial instruments underwritten	The third-country firm shall indicate the currency in which the amount of the total value of financial instruments originating from counterparties in the Union underwritten or placed on a firm commitment basis is expressed

Field		Sub-field	Description
		Sub-fields 3- 5 shall be repeated for each Member State where the third-country firm performs the service referred to in point (6) of Section A of Annex I to Directive 2014/65/EU	
		3	Member State where the third-country firm performs activity (6) of Section A of Annex I to Directive 2014/65/EU Member State where the third-country firm performs activity (6) of Section A of Annex I to Directive 2014/65/EU

Field		Sub-field		Description
		4	Total value of financial instruments	Total value of financial instruments originating from counterparties in the Member State underwritten or placed on a firm commitment basis
		5	Currency of the total value of financial instruments	The third-country firm shall indicate the currency in which the amount of the total value of financial instruments originating from counterparties in the Member State and underwritten or placed on a firm commitment basis is expressed

Field		Sub-field		Description
20	Where the third-country firm provides the service of portfolio management as referred to in point (4) of Section A of Annex I to Directive 2014/65/EU, information about the value of the assets under management for clients in the Union	1	Total value of assets under management for clients in the Union at the end of the reporting period	The amount of the total value of assets under management for clients in the Union at the end of the reporting period
		2	Currency of the total value of assets under management for clients in the Union	The third-country firm shall indicate the currency in which the amount of the total value of assets under management for clients in the Union is expressed

Field		Sub-field		Description
		3	Average value of assets under management for clients in the Union over the reporting period	The amount of the average value of assets under management for clients in the Union over the reporting period
		4	Currency of the average value of assets under management for clients in the Union	The third-country firm shall indicate the currency in which the amount of the average value of assets under management for clients in the Union is expressed

Field		Sub-field		Description
		Sub-fields 5-9 shall be repeated for each Member State where the third-country firm performs the service referred to in point (4) of Section A of Annex I to Directive 2014/65/EU		
		5	Member State where the third-country firm performs the service referred to in point (4) of Section A of Annex I to Directive 2014/65/EU	Member State where the third-country firm performs the service referred to in point (4) of Section A of Annex I to Directive 2014/65/EU

Field		Sub-field		Description
		6	Total value of assets under management for clients in the Member State at the end of the reporting period	The amount of the total value of assets under management for clients in the Member State at the end of the reporting period
		7	Currency of the total value of assets under management for clients in the Member State	The third-country firm shall indicate the currency in which the amount of the total value of assets under management for clients in the Member State is expressed

Field		Sub-field		Description
		8	Average value of assets under management for clients in the Member State over the reporting period	The amount of the average value of assets under management for clients in the Member State over the reporting period
		9	Currency of the average value of assets under management for clients in the Member State	The third-country firm shall indicate the currency in which the amount of the average value of assets under management for clients in the Member State is expressed

Field		Sub-field		Description
21	Where the third-country firm provides the service of investment advice as referred to in point (5) of Section A of Annex I to Directive 2014/65/EU, information about the value of the assets in relation to which that service has been provided to clients in the Union	1	Total value of the assets in relation to which that service has been provided to clients in the Union at the end of the reporting period	The amount of the total value of the assets in relation to which that service has been provided to clients in the Union at the end of the reporting period
		2	Currency of the total value of the assets in relation to which that service has been provided to clients in the Union	The third-country firm shall indicate the currency in which the amount of the total value of the assets in relation to which that service has been provided to clients in the Union is expressed

Field		Sub-field		Description
		3	Average value of the assets in relation to which that service has been provided to clients in the Union over the reporting period	The amount of the average value of the assets in relation to which that service has been provided to clients in the Union over the reporting period
		4	Currency of the average value of assets under management for clients in the Union	The third-country firm shall indicate the currency in which the amount of the average value of the assets in relation to which that service has been provided to clients in the Union is expressed

Field		Sub-field	Description
		Sub-fields 5-9 shall be repeated for each Member State where the third-country firm provides the service referred to in point (5) of Section A of Annex I to Directive 2014/65/EU	
	5	Member State where the third-country firm performs the service referred to in point (5) of Section A of Annex I to Directive 2014/65/EU	Member State where the third-country firm performs the service referred to in point (5) of Section A of Annex I to Directive 2014/65/EU

Field		Sub-field		Description
		6	Total value of the assets in relation to which that service has been provided to clients in the Member State at the end of the reporting period	The amount of the total value of the assets in relation to which that service has been provided to clients in the Member State at the end of the reporting period
		7	Currency of the total value of the assets in relation to which that service has been provided to clients in the Member State	The third-country firm shall indicate the currency in which the amount of the total value of the assets in relation to which that service has been provided to clients in the Member State is expressed

Field		Sub-field		Description
		8	Average value of the assets in relation to which that service has been provided to clients in the Member State over the reporting period	The amount of the average value of the assets in relation to which that service has been provided to clients in the Member State over the reporting period
		9	Currency of the average value of the assets in relation to which that service has been provided to clients in the Member State	The third-country firm shall indicate the currency in which the amount of the average value of the assets in relation to which that service has been provided to clients in the Member State is expressed

Field		Sub-field		Description
22	Where the third-country firm provides safekeeping and administration of financial instruments for the account of clients as referred to in point (1) of Section B of Annex I to Directive 2014/65/EU or is holding client funds, information on the value of the assets (including cash) held by the third-country firm for clients in the Union	1	Total value of the assets (including cash) held by the third-country firm for clients in the Union at the end of the reporting period	The amount of the total value of the assets (including cash) held by the third-country firm for clients in the Union at the end of the reporting period
		2	Currency of the total value of the assets (including cash) held by the third-country firm for clients in the Union	The third-country firm shall indicate the currency in which the amount of the total value of the assets (including cash) held by the third-country firm for clients in the Union is expressed

Field		Sub-field		Description
		3	Average value of the assets (including cash) held by the third-country firm for clients in the Union over the reporting period	The amount of the average value of the assets (including cash) held by the third-country firm for clients in the Union over the reporting period
		4	Currency of the average value of assets under management for clients in the Union	The third-country firm shall indicate the currency in which the amount of the average value of the assets (including cash) held by the third-country firm for clients in the Union is expressed

Field		Sub-field	Description
		Sub-fields 5-9 shall be repeated for each Member State where the third-country firm provides the ancillary service referred to in point (1) of Section B of Annex I to Directive 2014/65/EU or is holding client funds for a client in that Member State	
	5	Member State where the third-country firm provides the ancillary service referred to in point (1) of Section B of Annex I to Directive 2014/65/EU or is holding client funds for a client in that Member State	Member State where the third-country firm provides the ancillary service referred to in point (1) of Section B of Annex I to Directive 2014/65/EU or is holding client funds for a client in that Member State

Field		Sub-field		Description
		6	Total value of the assets (including cash) held by the third-country firm for clients in the Member State at the end of the reporting period	The amount of total value of the assets (including cash) held by the third-country firm for clients in the Member State at the end of the reporting period
		7	Currency of the total value of the assets (including cash) held by the third-country firm for clients in the Member State	The third-country firm shall indicate the currency in which the amount of the total value of the assets (including cash) held by the third-country firm for clients in the Member State

Field		Sub-field		Description
		8	Average value of the assets (including cash) held by the third-country firm for clients in the Member State over the reporting period	The amount of the average value of the assets (including cash) held by the third-country firm for clients in the Member State over the reporting period
		9	Currency of the average value of the assets (including cash) held by the third-country firm for clients in the Member State	The third-country firm shall indicate the currency in which the amount of the average value of the assets (including cash) held by the third-country firm for clients in the Member State is expressed

Field		Sub-field		Description
23	Information about complaints received by the third-country firm in relation to the investment services, investment activities and ancillary services provided in the Union	1	Total number of complaints received by the third-country firm in relation to the investment services, investment activities and ancillary services provided in the Union	Total number of complaints received by the third-country firm in relation to the investment services, investment activities and ancillary services provided in the Union
		2	Most frequent topics of the complaints received by the third-country firm in relation to the investment services, investment activities and ancillary services provided in the Union	The five most frequent topics of the complaints received by the third-country firm from clients in relation to the investment services, investment activities and ancillary services provided in the Union

Field		Sub-field		Description
		3	Financial instruments generating the highest number of complaints from clients in relation to the investment services, investment activities and ancillary services provided in the Union	The five financial instruments generating the highest number of complaints from clients in relation to the investment services, investment activities and ancillary services provided in the Union
<p>If the third-country firm provided services in more than one Member State, sub-fields 4 and 5 are to be repeated and completed for each Member State</p>				

Field		Sub-field		Description
		4	Member State	Member State where the third-country firm is providing investment services, investment activities or ancillary services
		5	Total number of complaints in relation to the investment services, investment activities or ancillary services provided in the Member State	Total number of complaints in relation to the investment services, investment activities and ancillary services provided in the Member State

Field		Sub-field	Description
24	Information on the marketing activities of the third-country firm in the Union	Sub-field 1 is only to be filled in case of any material change to the information previously reported to ESMA	
		1	Marketing strategy description A brief description of the marketing strategy of the third-country firm used in the Union, including its geographical scope and details about the marketing means the third-country firm used (such as any agents, roadshows, telephone calls, websites)

Field		Sub-field	Description
		Sub-fields 2-6 are to be repeated and completed for each trading name used by the third-country firm in the Union	
	2	Trading name(s)	The relevant trading name(s) used by the third-country firm in the Union

Field		Sub-field		Description
		3	Member States in which the relevant trading name is used	The third-country firm shall indicate the list of Member States in which the third-country firm is using the relevant trading name
		4	Investment services, activities and ancillary services (as defined in Sections A and B of Annex I of Directive 2014/65/EU) in relation to which the relevant trading name is used	The third-country firm shall indicate the list of investment services, activities and ancillary services (as defined in Sections A and B of Annex I of Directive 2014/65/EU) in relation to which the relevant trading name is used

Field		Sub-field		Description
		5	Financial instruments in relation to which the trading name is used	The third-country firm shall indicate the list of financial instruments (as defined in Section C of Annex I of Directive 2014/65/EU) in relation to which the relevant trading name is used
		6	Categories of clients in relation to which the trading name is used	The third-country firm shall indicate the categories of clients in relation to which the relevant trading name is used

Field		Sub-field	Description
		Sub-field 7 are to be repeated and completed for each agent, introducer or similar used by the third-country firm in the Union	
	7	Full name of the relevant agent, introducer or similar	Full first name(s) and surname(s) or, as the case may be, full legal name of the relevant agent, introducer or similar used by the third-country firm in the Union

Field		Sub-field	Description
		Sub-fields 8-9 are to be repeated and completed for each website that is used by the third-country firm in the Union	
	8	Relevant website used by the third-country firm in the Union	The firm shall briefly describe the relevant website used by the third-country firm in the Union

Field		Sub-field		Description
		9	Website URL	The firm shall indicate the URL of the relevant website
25	Information on the activities of the compliance function (or equivalent) – regulatory changes	1	Relevant changes and developments in regulatory requirements during the reporting period and which impacts the investor protection and the prudential arrangements of the third-country firm	The third-country firm shall indicate whether there has been any material change and relevant developments in the regulatory requirements applicable to the third-country firm during the reporting period and which impacts the investor protection and the prudential arrangements of the third-country firm

Field		Sub-field		Description
		2	Description of the relevant changes and developments in regulatory requirements during the reporting period and which impacts its investor protection arrangements	The firm shall describe any material change and relevant developments in the regulatory requirements applicable to the third-country firm during the reporting period and which impacts its investor protection and the prudential arrangements
26	Information on the activities of the compliance function (or equivalent) – manner of monitoring and reviewing	1	Controls	The third-country firm shall provide a summary of on-site inspections or desk-based reviews performed by the compliance function relating to operations in the Union

Field		Sub-field		Description
		2	Planned monitoring activities	The third-country firm shall provide a summary of the planned monitoring activities for the subsequent review of operations in the Union
27	Information on the activities of the compliance function (or equivalent) – findings	1	Major findings	The third-country firm shall provide a summary of the major findings of the compliance function on the operations of the third-country firm insofar as they relate to the operations of the third-country firm in the Union

Field		Sub-field		Description
		2	Actions	The third-country firm shall provide a summary of actions taken or to be taken (including timeline and organisational units of the third-country firm involved) to address identified failures or risks of failures of the third-country firm identified by the compliance function insofar as they relate to the operations of the third-country firm in the Union
		3	Measures to ensure compliance with regulatory developments	The third-country firm shall describe the measures taken or to be taken to ensure compliance with regulatory developments (including timeline and organisational units of the third-country firm involved) insofar as they relate to the operations of the third-country firm in the Union

Field		Sub-field		Description
28	Information on the activities of the compliance function (or equivalent) – reaction to complaints	n/a	Reaction to complaints	The third-country firm shall describe the reaction of the third-country firm to complaints received by the third-country firm in the Union and any pay-out based on the complaint, as well as actions regarding specific compliance or risk issues identified in relation to the procedures adopted by the third-country firm for the provision of investment services, investment activities and ancillary activities as a result of the review of complaints received in relation to the investment services, investment activities and ancillary services provided in the Union
29	Information on the activities of the compliance function (or equivalent) – deviation by senior management from important recommendations	n/a	Deviation by senior management from important recommendations or assessments issued by the compliance function	The third-country firm shall describe and explain any deviation by senior management from important recommendations or assessments issued by the compliance function insofar as they relate to the operations of the third-country firm in the Union

Field		Sub-field		Description
30	Information on the activities of the internal audit function (or equivalent) - controls	1	Controls	The third-country firm shall provide a summary of the controls (on-site, desk-based) performed by the internal audit function and relating to the operations of the third-country firm in the Union
		2	Planned monitoring activities	The third-country firm shall provide a summary of the planned monitoring activities for the subsequent review of the operations of the third-country firm in the Union

Field		Sub-field		Description
31	Information on the activities of the internal audit function (or equivalent) - findings	1	Major findings	The third-country firm shall provide a summary of the major findings of the internal audit function on the operations of the third-country firm in the Union
		2	Actions	The third-country firm shall provide a summary of actions taken or to be taken (including timeline and organisational units of the third-country firm involved) to address failures or risks of failures of the third-country firm identified by the internal audit function insofar as they relate to the operations of the third-country firm in the Union

Field		Sub-field		Description
32	Information on the activities of the risk management function – risk management policy	1	Risk management policy	The third-country firm shall provide a summary of its risk management policy, including how its operations in the Union fit into such policy or are taken into account
33	Information on the activities of the risk management function – manner of identifying and managing risks	1	Risk mapping assessment	The third-country firm shall provide a summary of the risk mapping assessment for the reporting period, including the different types of risks and acceptable limits set by the third-country firm insofar as they relate to its operations in the Union

Field		Sub-field		Description
		2	Techniques and tools to manage risks	The third-country firm shall provide a summary of the main techniques and tools used to measure and manage the risks to which the third-country firm is exposed insofar as they relate to its operations in the Union
		3	Planned risk management activities	The third-country firm shall provide a summary of the planned risk management activities for the subsequent review of its operations in the Union

Field		Sub-field		Description
34	Information on the activities of the risk management function – findings	1	Major findings	A summary of major findings of the risk management function on the operations of the third-country firm in the Union
		2	Actions	The third-country firm shall provide a summary of the actions taken or to be taken (including timeline and organisational units of the third-country firm involved) to address failures or risks of failures of the third-country firm identified by the risk management function insofar as they relate to the operations of the third-country firm in the Union

Field		Sub-field		Description
35	Information on the investor protection arrangements	1	Languages that the third-country firm uses its client	Sub-field 1 is only to be filled in case of any material change to the information previously reported to ESMA in Field 11, sub-fields 1 to 3 of Annex I
		2	Arrangements of the third-country firm to comply with the information requirements under Article 46 of Regulation (EU) 600/2014	Sub-field 2 is only to be filled in case of any material change to the information previously reported to ESMA in Field 12, of Annex I

Field		Sub-field		Description
		3	Arrangements of the third-country firm to ensure that the services of portfolio management and investment advices provided to its clients are suitable	Sub-field 3 is only to be filled in case of any material change to the information previously reported to ESMA in Field 13, sub-fields 1 to 6 of Annex I
		4	Arrangements of the third-country firm to execute order for its clients on terms most favourable to the client	Sub-field 4 is only to be filled in case of any material change to the information previously reported to ESMA in Field 14, sub-fields 1 to 3 of Annex I

Field		Sub-field		Description
		5	Arrangements of the third-country firm for the prompt, fair and expeditious execution of client order	Sub-field 5 is only to be filled in case of any material change to the information previously reported to ESMA in Field 15 of Annex I
		6	Product governance arrangements of the third-country firm	Sub-field 6 is only to be filled in case of any material change to the information previously reported to ESMA in Field 16, sub-fields 1 to 2 of Annex I

Field		Sub-field		Description
		7	Arrangements of the third-country firm to identify, prevent and manage conflicts of interest	Sub-field 7 is only to be filled in case of any material change to the information previously reported to ESMA in Field 17 of Annex I
		8	Arrangements of the third-country firm to handle complaints	Sub-field 8 is only to be filled in case of any material change to the information previously reported to ESMA in Field 18, sub-fields 1 to 6 of Annex I

Field		Sub-field		Description
		9	Membership of the third-country firm in an investor protection scheme	Sub-field 9 is only to be filled in case of any material change to the information previously reported to ESMA in Field 19 of Annex I
		10	Arrangements of the third-country firm to safeguard the funds and assets of its clients	Sub-field 10 is only to be filled in case of any material change to the information previously reported to ESMA in Field 20 of Annex I

Field		Sub-field		Description
36	Information on the arrangements set up for algorithmic trading, for high frequency trading (HFT) and for direct electronic access (DEA)	1	Arrangements for the algorithm trading	Sub-field 1 is only to be filled in case of any material change to the information previously reported to ESMA in Field 28, sub-field 1 of Annex I
		2	Arrangements for the high frequency trading	Sub-field 2 is only to be filled in case of any material change to the information previously reported to ESMA in Field 28, sub-field 2 of Annex I

Field		Sub-field		Description
37	Any other information that the third-country firm deems relevant to ESMA	3	Arrangements for the direct electronic access	Sub-field 3 is only to be filled in case of any material change to the information previously reported to ESMA in Field 28, sub-field 3 of Annex I
		n/a	Additional information	A description of any information that the third-country firm deems relevant to ESMA



Annex V: Draft implementing technical standards for the application of Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to the format of applications for registration of third-country firms and the format of the information to be reported annually to ESMA by registered third-country firms

COMMISSION IMPLEMENTING REGULATION (EU) [●]/[●]

of [●]

laying down implementing technical standards for the application of Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to the format of applications for registration of third-country firms and the format of the information to be reported annually to ESMA by registered third-country firms

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 ⁽¹⁾, and in particular Article 46(8) thereof,

Whereas:

(1) It is appropriate to set out a common format for third-country firms to submit their applications for registration to the European Securities and Markets Authority (ESMA) and the annual information to be provided by registered third-country firms to ESMA in accordance with paragraphs (4) and (6a) of Article 46 of Regulation (EU) No 600/2014.

(2) To facilitate the processing of the information, third-country firms should submit to ESMA their applications for registration and annually report information using the interfaces provided by the information technology system set up by ESMA to manage the receipt, storage and onward sharing of that information.

(3) This Regulation is based on the draft implementing technical standards submitted to the Commission by ESMA.

(4) ESMA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established by

¹¹ OJ L 173, 12.6.2014, p. 84.



Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council (¹²).

(5) This Regulation implements provisions of Regulation (EU) No 600/2014 that have been amended by Regulation (EU) 2019/2033 (¹³) with effect from 26 June 2021. It is therefore necessary to defer the application of this Regulation to that same date,

HAS ADOPTED THIS REGULATION:

Article 1

Format of the application for registration of third-country firms

Third-country firms shall submit the information referred to in Article 1 of [COMMISSION DELEGATED REGULATION (EU) .../... of XXX] in the format set out in Annex I.

Article 2

Format of information to be reported annually to ESMA

Third-country firms registered in accordance with Article 46 of Regulation (EU) No 600/2014 shall submit the information to ESMA referred to in Article 2 of [COMMISSION DELEGATED REGULATION (EU) .../... of XXX] in the format set out in Annex II.

Article 3

Common provisions on format

1. Third-country firms shall submit the applications referred to in Article 1 and the information referred to in Article 2:

- a) in a machine-readable format where specified in Annex I and Annex II;
- b) using the interfaces provided by the information technology system set up by ESMA to manage that information; and
- c) in a language customary in the sphere of international finance.

¹² Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

¹³ 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.



Article 4

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 26 June 2021.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [●].

For the Commission

The President

Ursula VON DER LEYEN

ANNEX I

Format of applications for registration referred to in Article 46(4) of Regulation (EU) No 600/2014

Field	Sub-field	Machine readability	Format
1	1	Y	ISO 8601 date and time format
	2	Y	Legal entity identifier as defined in ISO 17442 20 alphanumeric characters
	3	Y	Up to 350 alphanumeric characters
	4	Y	Up to 45 alphanumeric characters
	5	Y	Up to 2,048 alphanumeric characters
	6	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	7	Y	Up to 2,048 alphanumeric characters
	8	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	9	Y	Up to 35 alphanumeric characters

Field	Sub-field	Machine readability	Format
2	1	Y	Up to 280 alphanumeric characters
	2	Y	Up to 2,048 alphanumeric characters
	3	Y	ITU-T E.164 Up to 15 digits
	4	Y	Up to 400 alphanumeric characters
	5	Y	Up to 350 alphanumeric characters
3	1	Y	ISO 20022 4 alphanumeric characters
	2	Y	Up to 2,048 alphanumeric characters
	3	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	4	Y	Up to 1,500 alphanumeric characters
	5	Y	Up to 2,048 alphanumeric characters

Field	Sub-field	Machine readability	Format
	6	N	Free text
4	1	Y	One entry for each investment service, activity or ancillary service Pre-defined drop-down list with all the services and activities listed in Sections A and B of Annex I to Directive 2014/65/EU and with an additional field for "other" services/activities
	2	N	Free Text
	3	Y	One entry for each financial instrument Pre-defined drop-down list with all the financial instruments listed in Section C of Annex I to Directive 2014/65/EU
5	1	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	2	Y	One entry for each investment service, activity or ancillary service Pre-defined drop-down list with all investment services and activities and ancillary services listed in Sections A and B of Annex I to Directive 2014/65/EU
	3	Y	One entry for each financial instrument Pre-defined drop-down list with all the financial instruments listed in Section C of Annex I to Directive 2014/65/EU
	4	Y	Positive number of up to 10 digits

Field	Sub-field	Machine readability	Format
	5	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	6	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	7	Y	3 letter currency code, as defined by ISO 4217 currency codes
6	n/a	N	Free text
7	1	Y	Up to 280 alphanumeric characters
	2	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	3	Y	Up to 2,048 alphanumeric characters
	4	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	5	Y	ITU-T E.164 Up to 15 digits
	6	Y	Up to 400 alphanumeric characters
	7	Y	Up to 350 alphanumeric characters

Field	Sub-field	Machine readability	Format
8	1	Y	Up to 280 alphanumeric characters
	2	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	3	Y	Up to 2,048 alphanumeric characters
	4	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	5	Y	ITU-T E.164 Up to 15 digits
	6	Y	Up to 400 alphanumeric characters
	7	Y	Up to 350 alphanumeric characters
9	1	Y	UP to 280 alphanumeric characters
	2	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	3	Y	Up to 2,048 alphanumeric characters
	4	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	5	Y	ITU-T E.164 Up to 15 digits
	6	Y	Up to 400 alphanumeric characters
	7	Y	Up to 350 alphanumeric characters

Field	Sub-field	Machine readability	Format
	8	N	Free text
10	1	Y	Up to 1,500 alphanumeric characters
	2	N	Free text
	3	Y	One entry per website Up to 2,048 alphanumeric characters
	4	Y	Up to 1500 alphanumeric characters
	5	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code Each Member State has one entry
	6	Y	One entry for each investment service, activity or ancillary service Pre-defined drop-down list with the investment services, investment activities and ancillary services as listed in Sections A and B of Annex I to Directive 2014/65/EU
	7	Y	One entry for each category of client Pre-defined drop-down list with: "Eligible counterparties" and "Professional clients as defined under Section I of Annex II to Directive 2014/65/EU"
	11	1	Y
2		Y	Up to 1,500 alphanumeric characters

Field	Sub-field	Machine readability	Format
	3	N	Free text
12	n/a	N	Free text
13	1	N	Free text
	2	N	Free text
	3	N	Free text
	4	N	Free text
	5	N	Free text
	6	N	Free text
14	1	N	Free text
	2	N	Free text
	3	N	Free text

Field	Sub-field	Machine readability	Format
15	n/a	N	Free text
16	1	N	Free text
	2	N	Free text
17	n/a	N	Free text
18	1	N	Free text
	2	N	Free text
	3	Y	ISO 639-1 – 2 letter code One entry per language
	4	N	Free text
	5	N	Free text

Field	Sub-field	Machine readability	Format
19	n/a	N	Free text
20	n/a	N	Free text
21	n/a	N	Free text
22	1	N	Free text
	2	N	Free text
23	1	Y	Up to 1,500 alphanumeric characters
	2	N	Free text
	3	Y	Positive number of up to 5 digits
	4	N	Free text
24	1	Y	Up to 1,500 alphanumeric characters

Field	Sub-field	Machine readability	Format
	2	N	Free text
	3	Y	Positive number of up to 5 digits
	4	N	Free text
25	1	Y	Up to 1,500 alphanumeric characters
	2	N	Free text
	3	Y	Positive number of up to 5 digits
	4	N	Free text
26	1	Y	<p>“Y” – Yes, the necessary arrangements and procedures to report the information set out in Annex II have been established</p> <p>“N” – No, the necessary arrangements and procedures to report the information set out in Annex II have not been established</p> <p>1 alphanumeric character</p>
	2	N	Free text
27	n/a	N	Free text

Field	Sub-field	Machine readability	Format
28	1	N	Free text
	2	N	Free text
	3	N	Free text

ANNEX II

Format of the annual report to ESMA in accordance with Article 46(6a) of Regulation (EU) No 600/2014

Field	Sub-field	Machine readability	Format
1	1	Y	ISO 8601 date format
	2	Y	ISO 8601 date format
2	n/a	Y	“Y” – Yes, some or all the information has changed “N” – No, information remained the same 1 alphanumeric character
	1	Y	Legal entity identifier as defined in ISO 17442 20 alphanumeric characters
	2	Y	Up to 350 alphanumeric characters
	3	Y	Up to 45 alphanumeric characters
	4	Y	Up to 2,048 alphanumeric characters
	5	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	6	Y	Up to 2,048 alphanumeric characters
	7	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code

Field	Sub-field	Machine readability	Format
	8	Y	Up to 35 alphanumeric characters
3	1	Y	Up to 280 alphanumeric characters
	2	Y	Up to 2,048 alphanumeric characters
	3	Y	ITU-T E.164 Up to 15 digits
	4	Y	Up to 400 alphanumeric characters
	5	Y	Up to 350 alphanumeric characters
4	n/a	Y	“Y” – Yes, some or all the information has changed “N” – No, information remained the same 1 alphanumeric character
	1	Y	ISO 20022 4 alphanumeric characters
	2	Y	Up to 2,048 alphanumeric characters
	3	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	4	Y	Up to 1,500 alphanumeric characters

Field	Sub-field	Machine readability	Format
	5	Y	Up to 2,048 alphanumeric characters
	6	N	Free text
5	n/a	Y	<p>“Y” – Yes, some or all the information has changed</p> <p>“N” – No, information remained the same 1 alphanumeric character</p>
	1	Y	<p>One entry for each investment service, activity or ancillary service</p> <p>Pre-defined drop-down list with all the services and activities listed in Sections A and B of Annex I to Directive 2014/65/EU and with an additional field for “other” services/activities</p>
	2	N	Free text
	3	Y	<p>One entry for each financial instrument</p> <p>Pre-defined drop-down list with all the financial instruments listed in Section C of Annex I to Directive 2014/65/EU</p>
6	n/a	Y	<p>“Y” – Yes, some or all information has changed materially</p> <p>“N” – No, information has not changed materially</p> <p>1 alphanumeric character</p>

Field	Sub-field	Machine readability	Format
	n/a	N	Free text
7	n/a	Y	<p>“Y” – Yes, some or all the information has changed materially and/or information reported with regard to sub-field 7 has changed</p> <p>“N” – No, information has not changed materially and/or information reported with regard to sub-field 7 has not changed</p> <p>1 alphanumeric character</p>
	1	Y	Up to 280 alphanumeric characters
	2	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	3	Y	Up to 2,048 alphanumeric characters
	4	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	5	Y	ITU-T E.164 Up to 15 digits
	6	Y	Up to 400 alphanumeric characters
	7	Y	Up to 350 alphanumeric characters
	8	n/a	Y

Field	Sub-field	Machine readability	Format
	1	Y	UP to 280 alphanumeric characters
	2	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	3	Y	Up to 2,048 alphanumeric characters
	4	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	5	Y	ITU-T E.164 Up to 15 digits
	6	Y	Up to 400 alphanumeric characters
	7	Y	Up to 350 alphanumeric characters
9	n/a	Y	<p>“Y” – Yes, some or all the information has changed materially and/or information reported with regard to sub-fields 7 and 8 has changed</p> <p>“N” – No, information has not changed materially and/or information reported with regard to sub-fields 7 and 8 has not changed</p> <p>1 alphanumeric character</p>
	1	Y	Up to 280 alphanumeric characters
	2	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	3	Y	Up to 2,048 alphanumeric characters
	4	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code

Field	Sub-field	Machine readability	Format
	5	Y	ITU-T E.164 Up to 15 digits
	6	Y	Up to 400 alphanumeric characters
	7	Y	Up to 350 alphanumeric characters
	8	N	Free text
10	n/a	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
	1	N	Free text
	2	N	Free text
11	n/a	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
	1	Y	Up to 1,500 alphanumeric characters
	2	N	Free text

Field	Sub-field	Machine readability	Format
	3	Y	Positive number of up to 5 digits
	4	N	Free text
12	n/a	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
	1	Y	Up to 1,500 alphanumeric characters
	2	N	Free text
	3	Y	Positive number of up to 5 digits
	4	N	Free text
13	n/a	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
	1	Y	Up to 1,500 alphanumeric characters

Field	Sub-field	Machine readability	Format
	2	N	Free text
	3	Y	Positive number of up to 5 digits
	4	N	Free text
14	n/a	Y	<p>“Y” – Yes, some or all of the information has changed</p> <p>“N” – No, information remained the same 1 alp</p>
	n/a	N	Free text
15	1	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	2	Y	<p>“Y” – Yes, the list of investment services, investment activities and ancillary services provided in the relevant Member State has changed</p> <p>“N” - No, the list of investment services, investment activities and ancillary services provided in the relevant Member State has not changed</p> <p>1 alphanumeric character</p>

Field	Sub-field	Machine readability	Format
		Y	One entry for each investment service, activity or ancillary service Pre-defined drop-down list with investment services and activities and ancillary services as listed in Sections A and B of Annex I of Directive 2014/65/EU
	3	Y	“Y” – Yes “N” - No 1 alphanumeric character
		Y	One entry for each financial instrument Pre-defined drop-down list of financial instruments as listed in Section C of Annex I of Directive 2014/65/EU
	4	Y	Positive number of up to 10 digits
	5	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	6	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	7	Y	3 letter currency code, as defined by ISO 4217 currency codes
16	n/a	Y	Positive number of up to 10 digits

Field	Sub-field	Machine readability	Format
17	1	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	2	Y	3 letter currency code, as defined by ISO 4217 currency codes
18	1	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	2	Y	3 letter currency code, as defined by ISO 4217 currency codes
	3	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	4	Y	3 letter currency code, as defined by ISO 4217 currency codes
	5	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	6	Y	3 letter currency code, as defined by ISO 4217 currency codes
	7	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code

Field	Sub-field	Machine readability	Format
	8	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	9	Y	3 letter currency code, as defined by ISO 4217 currency codes
	10	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	11	Y	3 letter currency code, as defined by ISO 4217 currency codes
	12	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	13	Y	3 letter currency code, as defined by ISO 4217 currency codes
19	1	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	2	Y	3 letter currency code, as defined by ISO 4217 currency codes
	3	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code

Field	Sub-field	Machine readability	Format
	4	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	5	Y	3 letter currency code, as defined by ISO 4217 currency codes
20	1	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	2	Y	3 letter currency code, as defined by ISO 4217 currency codes
	3	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	4	Y	3 letter currency code, as defined by ISO 4217 currency codes
	5	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	6	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	7	Y	3 letter currency code, as defined by ISO 4217 currency codes

Field	Sub-field	Machine readability	Format
	8	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	9	Y	3 letter currency code, as defined by ISO 4217 currency codes
21	1	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	2	Y	3 letter currency code, as defined by ISO 4217 currency codes
	3	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	4	Y	3 letter currency code, as defined by ISO 4217 currency codes
	5	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	6	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	7	Y	3 letter currency code, as defined by ISO 4217 currency codes

Field	Sub-field	Machine readability	Format
	8	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	9	Y	3 letter currency code, as defined by ISO 4217 currency codes
22	1	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	2	Y	3 letter currency code, as defined by ISO 4217 currency codes
	3	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	4	Y	3 letter currency code, as defined by ISO 4217 currency codes
	5	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	6	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	7	Y	3 letter currency code, as defined by ISO 4217 currency codes

Field	Sub-field	Machine readability	Format
	8	Y	Decimal number of up to 18 digits in total of which up to 5 digits can be fraction digits
	9	Y	3 letter currency code, as defined by ISO 4217 currency codes
23	1	Y	Positive number of up to 10 digits
	2	N	Free text
	3	Y	5 entries Choice from a predefined drop-down list with all the financial instruments listed in Section C of Annex I to Directive 2014/65/EU
	4	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code
	5	Y	Positive number of up to 10 digits
	24	1	Y
N			Free text

Field	Sub-field	Machine readability	Format
	2	Y	Up to 1500 alphanumeric characters
	3	Y	2 letter country code, as defined by ISO 3166-1 alpha-2 country code country code Each Member State has one entry
	4	Y	One entry for each investment service, activity or ancillary service
	5	Y	One entry for each category of financial instrument
	6	Y	One entry for each category of client
	7	Y	Up to 280 alphanumeric characters
	8	Y	Up to 2,048 alphanumeric characters
	9	Y	Up to 2,048 alphanumeric characters
25	1	Y	“Y” – Yes, material changes and/or relevant developments in the regulatory requirements during the reporting period and which impacts the investor protection and the prudential arrangements occurred

Field	Sub-field	Machine readability	Format
			<p>“N” – No, material changes and/or relevant developments in the regulatory requirements during the reporting period and which impacts the investor protection and the prudential arrangements did not occur</p> <p>1 alphanumeric character</p>
	2	N	Free text
26	1	N	Free text
	2	N	Free text
27	1	N	Free text
	2	N	Free text
	3	N	Free text
28	n/a	N	Free text
29	n/a	N	Free text

Field	Sub-field	Machine readability	Format
30	1	N	Free text
	2	N	Free text
31	1	N	Free text
	2	N	Free text
32	1	N	Free text
33	1	N	Free text
	2	N	Free text
	3	N	Free text
34	1	N	Free text
	2	N	Free text

Field	Sub-field	Machine readability	Format
35	1	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
		N	Free text
	2	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
		N	Free text
	3	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
		N	Free text
	4	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
		N	Free text
	5	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
		N	Free text

Field	Sub-field	Machine readability	Format
	6	Y	"Y" – Yes, some or all the information has changed materially "N" – No, information has not changed materially 1 alphanumeric character
		N	Free text
	7	Y	"Y" – Yes, some or all the information has changed materially "N" – No, information has not changed materially 1 alphanumeric character
		N	Free text
	8	Y	"Y" – Yes, some or all the information has changed materially "N" – No, information has not changed materially 1 alphanumeric character
		N	Free text
	9	Y	"Y" – Yes, some or all the information has changed materially "N" – No, information has not changed materially 1 alphanumeric character
		N	Free text
	10	Y	"Y" – Yes, some or all the information has changed materially "N" – No, information has not changed materially 1 alphanumeric character
		N	Free text

Field	Sub-field	Machine readability	Format
36	1	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
		N	Free Text
	2	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
		N	Free text
	3	Y	“Y” – Yes, some or all the information has changed materially “N” – No, information has not changed materially 1 alphanumeric character
		N	Free text
37	n/a	N	Free text



Annex VI: Draft implementing technical standards for the application of Directive 2014/65/EU of the European Parliament and of the Council with regard to the format of the information to be reported annually to national competent authorities by branches of third-country firms authorised in accordance with Article 41 of Directive 2014/65/EU

COMMISSION IMPLEMENTING REGULATION (EU) [●]/[●]

of [●]

laying down implementing technical standards for the application of Directive 2014/65/EU of the European Parliament and of the Council with regard to the format of the information to be reported annually to national competent authorities by branches of third-country firms authorised in accordance with Article 41 of Directive 2014/65/EU

(Text with EEA relevance)

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ⁽¹⁴⁾, and in particular Article 41(5) thereof,

Whereas:

(1) It is appropriate to set out a common format for third-country firms to submit annual information to the competent authority of a Member State where they have a branch, as referred to in Article 41(3) of Directive 2014/65/EU.

(2) To facilitate the processing of the information and ensure that all required information necessary for the supervision of branches of third-country firms is received by the relevant competent authorities, branches of third-country firms should provide detailed and harmonised information.

(3) References in this Regulation to the branch of a third-country firm providing the services and activities covered by the authorisation granted in accordance with Article 39 of Directive 2014/65/EU to eligible counterparties and professional clients in Member States other than the one where the authorised branch is established shall solely be understood as the provision of investment services and activities in accordance with Article 47(3) of Regulation (EU)

¹⁴ OJ L 173, 12.6.2014, p. 349.



600/2014. (4) This Regulation is based on the draft implementing technical standards submitted to the Commission by ESMA.

(5) ESMA has conducted open public consultations on the draft implementing technical standards on which this Regulation is based, analysed the potential related costs and benefits and requested the advice of the Securities and Markets Stakeholder Group established in accordance with Article 37 of Regulation (EU) No 1095/2010 of the European Parliament and of the Council ⁽¹⁵⁾.

(6) This Regulation implements provisions of Directive 2014/65/EU that have been amended by Directive (EU) 2019/2034 of the European Parliament and of the Council ⁽¹⁶⁾. Member States shall adopt and publish the measures necessary to comply with Directive (EU) 2019/2034 and apply those measures from 26 June 2021. It is therefore necessary to defer the application of this Regulation to that same date,

HAS ADOPTED THIS REGULATION:

Article 1

Annual submission of information

1. The branch of a third-country firm authorised in accordance with Article 41(1) of Directive 2014/65/EU shall report to the competent authority of the Member State where the authorisation was granted on an annual basis the information referred to in Article 41(3) of Directive 2014/65/EU in the format set out in the Annex.
2. The information referred to in paragraph 1 shall be submitted in a language customary in the sphere of international finance.
3. The information referred to in paragraph 1 shall be submitted by 30 April of each year and shall cover the period from 1 January to 31 December of the preceding calendar year. The information provided shall be accurate as of 31 December of the preceding year.

Article 2

Entry into force and application

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 26 June 2021.

¹⁵ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC (OJ L 331, 15.12.2010, p. 84).

¹⁶ Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU (OJ L 314, 5.12.2019, p. 64).



This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, [●].

For the Commission

The President

Ursula VON DER LEYEN

ANNEX

Format for submitting information under Article 41(3) of Directive 2014/65/EU

Information under Article 41(3) of Directive 2014/65/EU shall include the following fields:

<p>Note 1: Relevant information concerning operations of the branch in Member States other than the one where the branch is established is required only if the branch belongs to a third-country firm established in a country whose legal and supervisory framework has been recognised to be effectively equivalent in accordance with Article 47(1) and that provides services and activities in the Union in accordance with Article 47(3) of Regulation (EU) No 600/2014</p>	
Field	Sub-fields
Reporting period	The reporting start date for the calendar year
	The reporting end date for the calendar year
Name and contact details of the third-country firm, including the details of the branch, of the person in charge of submitting the information, of the authorities of the third country responsible for the supervision of the third-country firm, and the provision of investment services and activities in other Member States other than the one where the branch is established	Full legal name of the branch
	Address of the branch <i>(to be provided in case of any change to the information previously reported to the competent authority)</i>
	Full legal name of the third-country firm <i>(to be provided in case of any change to the information previously reported to the competent authority)</i>
	Registered address for the head office <i>(to be provided in case of any change to the information previously reported to the competent authority)</i>
	Country of the head office <i>(to be provided in case of any change to the information previously reported to the competent authority)</i>
	Name, address and country of the authority responsible for the supervision of the third-country firm in the third country. When more than one authority is responsible for the supervision of the third-country firm, the details and the respective areas of competence shall be provided <i>(to be provided in case of any change to the information previously reported to the competent authority)</i>

	<p>Member States other than the one where the branch is established where the branch provides the services and activities covered under the authorisation to eligible counterparties and professional clients within the meaning of Section I of Annex II to Directive 2014/65/EU by virtue of Article 47(3) of Regulation (EU) No 600/2014</p> <p><i>(to be provided in case of any change to the information previously reported to the competent authority)</i></p>
	Contact person full name
	Contact person address
	Contact person telephone number
	Contact person email address
	Contact person function/title
Investment services, investment activities and ancillary services provided by the branch in the Member State where the branch is established	<p>The list of investment services, investment activities and ancillary services (as defined in Sections A and B of Annex I to Directive 2014/65/EU) provided by the branch in the Member State</p> <p><i>(to be provided in case of any change to the information previously reported to the competent authority)</i></p>
	<p>The list of categories of financial instruments (as defined in Section C of Annex I of Directive 2014/65/EU) in relation to which such services and activities have been performed</p> <p><i>(to be provided in case of any change to the information previously reported to the competent authority)</i></p>
Investment services, investment activities and ancillary services provided by the branch in Member States other than the one where it is established	<p>Note 1</p>
	<p>For each Member State other than the Member State where the branch is established and in which the branch provided any investment services, investment activities or ancillary services, the list of those services and activities (as defined in Sections A and B of Annex I of Directive 2014/65/EU) provided to eligible counterparties and professional clients within the meaning of Section I of Annex II to Directive 2014/65/EU</p> <p><i>(to be provided in case of any change to the information previously reported to the competent authority)</i></p>
	<p>The list of categories of financial instruments (as defined in Section C of Annex I to Directive 2014/65/EU) in relation to which such services and activities have been performed</p>

	<i>(to be provided in case of any change to the information previously reported to the competent authority)</i>
Number of clients and counterparties and number of staff of the branch in the Member State where the branch is established	The total number of clients and counterparties of the branch in the Member State where it is established
	The breakdown of the total number of clients and counterparties of the branch in the Member State where it is established per investment service, investment activity or ancillary service provided in the Member State
	The numbers of retail clients, professional clients and eligible counterparties (as defined in Directive 2014/65/EU) to whom the branch is providing investment services, investment activities or ancillary services in the Member State
	The breakdown of the number of staff of the branch in the Member State where it is established per investment service, investment activity or ancillary service provided in the Member State <i>(to be provided in case of any change to the information previously reported to the competent authority)</i>
Number of clients and counterparties of the branch in Member States other than the one where the branch is established and globally	Note 1
	The total number of clients and counterparties of the branch in the Member State and in the Union
	The total number of clients and counterparties of the third-country firm globally
	For each Member State other than the Member State where the branch is established and in which the branch provided any investment services, investment activities or ancillary services, the total number of clients and counterparties of the branch in that Member State, together with: <ul style="list-style-type: none"> - a breakdown of this number per investment service, investment activity or ancillary service provided in that Member State; and - a breakdown per category of client as defined in Directive 2014/65/EU
Turnover and aggregated value of the assets of the branch in the Member State	The turnover generated by the branch and the aggregated value of the assets corresponding to the investment services, investment activities and ancillary services provided in the Member State where the branch is established

where the branch is established	The breakdown of the turnover of the branch in the Member State where it is established per investment service, investment activity and ancillary service provided in that Member State
	The breakdown of the turnover of the branch in the Member State where it is established per category of client as defined in Directive 2014/65/EU
Turnover and aggregated value of the assets of the branch in Member States other than the one where the branch is established and of the third-country firm globally	Note 1
	The turnover of the branch in the Union and the aggregated value of the assets corresponding to the services and activities provided by the third-country firm in the Union
	The global turnover of the third-country firm
	For each Member State other than the one where the branch is established and in which the branch provided any investment services, investment activities or ancillary services, the turnover and the aggregated value of the assets corresponding to such investment services, investment activities and ancillary services, together with: <ul style="list-style-type: none"> - a breakdown per investment service, investment activity or ancillary services provided in the Member State; and - a breakdown per category of client as defined in Directive 2014/65/EU
Where the branch performs dealing on own account as referred to in point (3) of Section A of Annex I to Directive 2014/65/EU, information on the exposure of the third-country firm to counterparties in the Union	Note 1
	The monthly minimum, average and maximum exposure to counterparties in the Member State where the branch is established
	For each Member State other than the one where the branch is established and in which the branch performs the activity listed in point (3), the monthly minimum, average and maximum exposure to counterparties in the Member State
	The monthly minimum, average and maximum exposure to counterparties in the Union

<p>Where the branch provides underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis as referred to in point (6) of Section A of Annex I to Directive 2014/65/EU, information about the value of financial instruments originating from counterparties in the Union and underwritten or placed on a firm commitment basis during the reporting period</p>	Note 1
	The total value and number of financial instruments originating from counterparties in the Member State where the branch is established and underwritten or placed on a firm commitment basis by the branch
	For each Member State other than the one where the branch is established and in which the branch provides one or both of the services listed in point (6) of Section A of Annex I to Directive 2014/65/EU, the total value of financial instruments originating from counterparties in the Member State and underwritten or placed on a firm commitment basis by the branch
	The total value of financial instruments originating from counterparties in the Union and underwritten or placed on a firm commitment basis by the branch
<p>Where the branch provides portfolio management as referred to in point (4) of Section A of Annex I to Directive 2014/65/EU, information about the value of the assets under management for clients in the Union</p>	Note 1
	The total value of the assets under management for clients in the Member State where the branch is established at the end of the reporting period
	For each Member State other than the one where the branch is established and in which the branch provides the service referred to in point (4) of Section A of Annex I to Directive 2014/65/EU, the total value of the assets under management for clients in the Member State at the end of the reporting period
	The average value of the assets under management for clients in the Member State where the branch is established over the reporting period
<p>Where the branch provides investment advice as referred to in</p>	Note 1
	The total value of the assets in relation to which the service referred to in point (5) of Section A of Annex I to Directive

<p>point (5) of Section A of Annex I to Directive 2014/65/EU, information about the value of the assets in relation to which that service has been provided to clients in the Union</p>	<p>2014/65/EU has been provided to clients in the Member State where the branch is established at the end of the reporting period</p>
	<p>For each Member State other than the one where the branch is established and in which the branch provides the service referred to in point (5) of Section A of Annex I to Directive 2014/65/EU, the total value of the assets in relation to which that service has been provided to clients in the Member State at the end of the reporting period</p>
	<p>The average value of the assets in relation to which that service has been provided to clients in the Member State where the branch is established at the end of the reporting period</p>
	<p>For each Member State other than the one where the branch is established and in which the branch provides that service, the average value of the assets in relation to which that service has been provided to clients in the Member State over the reporting period</p>
<p>Where the branch provides safekeeping and administration on financial instruments for the account of clients as referred to in point (1) of Section A of Annex I to Directive 2014/65/EU or is holding client funds, information on the value of the assets (including cash) held by the branch in the Union</p>	<p>Note 1</p>
	<p>The total value of the assets (including cash and clients' assets) held by the branch for clients in the Member State where the branch is established at the end of the reporting period</p>
	<p>For each Member State other than the one where the branch is established and in which the branch provides the ancillary service referred to in point (1) of Section A of Annex I to Directive 2014/65/EU or is holding client funds for clients in that Member State, the total value of the assets (including cash) held by the branch for clients in the Member State at the end of the reporting period</p>
<p>Composition of the management body of the third-country firm</p>	<p>The list of members of the management body</p>
	<p>For each member of the management body, the member's full name, country of domicile and contact details</p>
	<p>The position at which each member of the management body is appointed</p>

Key function holders for the activities of the branch	The list of key function holders for the activities of the branch
	For each key function holder, the person's full name, country of domicile and contact details
	The position at which each key function holder is appointed
	The reporting lines between the key function holders and the third-country firm's management body
Information about complaints received by the branch or by the third-country firm in relation to the activities of the branch in the Union	Note 1
	<p>The number of complaints received by the branch or by the third-country firm in relation to the activities of the branch in the Member State where it is established, together with:</p> <ul style="list-style-type: none"> - a breakdown for the five financial instruments generating the highest number of complaints; - a breakdown for the five most frequent topics of the complaints; - the number of complaints handled over the reporting period
	<p>The number of complaints received by the branch or by the third-country firm in relation to the activities of the branch in Member States other than the one where the branch is established, together with:</p> <ul style="list-style-type: none"> - a breakdown per Member State; - a breakdown for the five financial instruments generating the highest number of complaints; - a breakdown for the five most frequent topics of the complaints; - the number of complaints handled in the reporting period
Description of the marketing activities of the branch or of the third-country firm in relation to the activities of the branch in the Union	Note 1
	A description of the marketing strategy of the third-country firm used in the Union in relation to the activities of the branch, including details about its geographical scope and the marketing means the third-country firm used (such as any agents, roadshows, telephone calls, websites)
	<p>The list of trading names used by the third-country firm in the Union, together with, for each trading name:</p> <ul style="list-style-type: none"> - the list of Member States in which it is used;

	<ul style="list-style-type: none"> - the categories of financial instruments in relation to which it is used; and - the categories of clients in relation to which it is used <p>For any agents or similar entities used by the third-country firm in that Member State, the name of the individual or entity together with the address and contact details</p> <p>The list of websites used by the third-country firm in the Union, together with, for each website, its URL</p>
<p>Description of the investor protection arrangements of the third-country firm available to the clients of the branch in the Union, including the rights of those clients resulting from the investor-compensation scheme referred to in point (f) of Article 39(2) of Directive 2014/65/EU <i>(to be provided in case of any change to the information previously reported to the competent authority)</i></p>	<p>Note 1</p>
	<p>Information and reporting to clients</p>
	<p>The description of the arrangements of the third-country firm to ensure that it complies with its information and reporting obligations to clients under Articles 24 and 25 of Directive 2014/65/EU and implementing measures for the operations of the branch in the Union</p>
	<p>The language(s) the branch will use with its clients in the Union</p>
	<p>Suitability and appropriateness</p>
	<p>The description of the arrangements of the third-country firm to ensure that it complies with its obligations to assess suitability or appropriateness, as the case may be, when the branch provides services to clients in the Union</p>
	<p>Best execution</p>
	<p>Where the branch executes orders for its clients in the Union, the description of the arrangements to ensure that it executes client orders on terms most favourable to the clients</p>
	<p>Client order handling rules</p>
<p>The description of the arrangements of the third-country firm which provide for the prompt, fair and expeditious execution of client orders, relative to other client orders or the trading interests of the investment third-country firm, with a focus on the operations of the branch in the Union</p>	
<p>Product governance arrangements</p>	
<p>The description of the arrangements of the third-country firm to ensure that it complies with its obligations under Article 24(2) of</p>	

	Directive 2014/65/EU and implementing measures for the operations of the branch in the Union
	The arrangements of the third-country firm to identify, prevent and manage conflicts of interest
	The description of the measures the third-country firm has put in place to identify and to prevent or manage conflicts of interest that arise in the course of providing investment and ancillary services, including those arising from the remuneration policy of the persons involved in the provision of investment services, investment activities and ancillary services provided in the Union
	The arrangements of the third-country firm to handle complaints
	A description of the procedure clients of the branch in the Union need to follow to lodge a complaint
	The department responsible for handling the complaints of clients of the branch
	The language(s) clients must lodge their complaints
	The relevant courts (in case of litigation) referred to in any contractual arrangements between the third-country firm' and its clients in the Union
	The alternative dispute resolution (ADR) entity/ies competent to deal with cross-border disputes involving clients in the Union
	The third-country firm's membership of an investor compensation scheme
	The description of the third-country firm's membership of an investor compensation scheme including whether clients and counterparties of the branch in the Union will be eligible to such scheme, its scope, a description of the eligibility conditions and the amounts and financial instruments covered by the scheme
	The arrangements of the third-country firm to protect and manage client funds and assets
	The description of any client fund or client asset safeguarding arrangements (in particular, where financial instruments and funds are held in a custodian, the name of the custodian, and related contracts)

	<p>Other arrangements</p>
	<p>The description of any other arrangements that the third-country firm may deem relevant to the provision of services and performance of the activities of the branch in the Union in an honest, fair and professional manner that promotes the interests of clients</p>
<p>Information on the outsourcing arrangements of the third-country firm applicable to the operations of the branch (<i>to be provided in case of any change to the information previously reported to the competent authority</i>)</p>	<p>The list and description of the outsourced functions (or those intended to be outsourced)</p> <p>The description of the resources (in particular, human and technical, and the internal control system) allocated to the control of the outsourced functions, services or activities insofar as they are related to the operations of the branch</p>
<p>Information on the arrangements (including IT arrangements) set up by the third-country firm applicable to the activities of the branch for algorithmic trading, for high frequency trading (HFT) and for direct electronic access (DEA) (<i>to be provided in case of any change to the information previously reported to the competent authority</i>)</p>	
<p>Information on the activities of the compliance function (or equivalent)</p>	<p>Regulatory changes</p> <p>Relevant changes and developments in regulatory requirements during the reporting period which impact the investor protection arrangements for the activities of the branch of the third-country firm</p> <p>Findings</p>

	<p>The number of controls performed on-site and outsourced and a summary of major findings of the compliance function on the operations of the third-country firm insofar as they are relevant to the operations of the branch</p> <p>Actions taken or to be taken (including timeline and organisational units of the third-country firm involved) to address identified failures or risks of failures by the third-country firm insofar as they relate to the operations of the branch</p> <p>Measures taken or to be taken to ensure compliance with regulatory developments (including timeline and organisational units of the third-country firm involved) insofar as they relate to the operations of the branch</p> <p>Reaction to complaints received and any pay-out based on the complaint, as well as actions regarding specific compliance or risk issues identified in relation to the procedures adopted by the branch for the provision of investment services as a result of the review of clients' complaints</p> <p>Others</p> <p>Information as regards any deviation by senior management from important recommendations or assessments issued by the compliance function insofar as they relate to the operations of the branch</p>
<p>Information on the activities of the internal audit function (or equivalent)</p>	<p>Findings</p> <p>A summary of major findings of the internal audit function on the operations of the third-country firm insofar as they are relevant to the operations of the branch</p> <p>Actions taken or to be taken globally (including timeline and organisational units of the third-country firm involved) to address identified failures or risks of failures by the third-country firm insofar as they relate to the operations of the branch</p>
<p>Information on the activities of the risk management function (or equivalent) and the risk management policy of the third-country firm</p>	<p>Risk management policy</p> <p>A summary of the risk management policy of the third-country firm insofar as it relates to the operations of the branch <i>(to be provided in case of any change to the information previously reported to the competent authority)</i></p> <p>Findings</p>

	<p>A summary of major findings of the risk management function on the operations of the third-country firm globally</p>
	<p>Actions taken or to be taken globally (including timeline and organisational units of the third-country firm involved) to address identified failures or risks of failures by the third-country firm insofar as they relate to the operations of the branch in the Union</p>
<p>Any other information considered by the competent authority necessary to enable comprehensive monitoring of the activities of the branch in the Union</p>	