Consultation Response – EBA consultation on RTS on acquisitions in credit institutions

15 September 2025

Introduction:

The Association for Financial Markets in Europe (AFME) welcomes this opportunity to comment on the R**egulatory Technical Standards specifying the minimum list of information to be provided to the competent authorities at the time of the notification**.

In line with our recent report on the Banking Union[1] we would like to note this is an important policy area to improve the cross-border banking M&A, which has consistently declined over the last two decades, limiting consolidation and efficiency gains.

Dealogic data on M&A transactions included in our report show an underwhelming record for banking sector M&As: banking is the economic sector in the EU where it takes longer to complete M&A with 285 days between announcement and completion dates on average for the last three years (2022-2024). Furthermore, the time it takes to complete a banking M&A has increased by more than 100 days since 2014 (prior to the start of the BU). The data also shows that it takes significantly longer to complete a banking M&A in the BU compared to any other global banking competitor region.

Consequently, we urge the EBA to factor in the current M&A landscape and develop final RTS which support the facilitation of M&A, rather than create additional burdens on the overall process and drive greater harmonisation across the EU.

Comments:

1. **Proportionality and risk-based approach**

While the RTS aims to apply the principle of proportionality, several provisions appear overly prescriptive and may impose unnecessary administrative burdens, particularly in low-risk scenarios.

The notification requirements are detailed and extensive and they also concern the same information for the undertakings controlled by the relevant legal person - this is a major challenge for large groups to gather all such information. This extent of the notification requirements may also (disproportionately) affect smaller acquirers or transactions involving minor stakes or intra-group transactions. We recommend aligning the scope of required information with the:

- Level of influence of the proposed acquirer: minority vs controlling stake
- Nature of the acquirer: regulated financial institution vs private investor

[1] AFME Banking Union Report September 25.pdf

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Nature of the transaction: whether it is an intra-group transaction, this would help avoid unnecessary costs. In low-risk cases limited information should suffice. We suggest that the RTS explicitly outline how proportionality is applied in practice, including examples or thresholds where reduced information requirements are appropriate and not leave it to the discretion of the supervisory authority itself. As an example, we propose that for intragroup transactions, the proposed acquirer should be exempted from submitting the information in Article 10.

We also recommend the list of information to be communicated to supervisors in the context of acquisitions shall not be a "minimum" list of information but an exhaustive list; otherwise the harmonization objective throughout the EU will not be reached.

2. Duplicative information requests

The draft RTS requires detailed information on e.g. the identity, past convictions, financial soundness, even if the proposed acquirer is already supervised by an EU authority and subject to ongoing requirements on these aspects. We believe this approach is unnecessarily burdensome and inconsistent with the goal of streamlining the notification procedure.

Competent authorities should be able to rely on existing data that is already available and still relevant, including in cases where the information is held by another competent EU authority. Requiring re-submission of such information, regardless of when it was last assessed, creates inefficiencies. Introducing a fixed time limit, such as two years, is overly rigid and may lead to redundant submissions even where the information remains valid and unchanged.

We suggest distinguishing between:

(1) *information related to the acquirer, including its board members*

This information is already available to the EU competent authority. This includes a.o. information as to the corporate structure (statutory seat, Chamber of Commerce), financials and reputation of the acquirer and information submitted with regard to the acquirer's board members' initial fit and proper assessments.

(2) *information related to the transaction*

This information is case specific and necessary to perform an assessment of the transaction.

We recommend that the RTS explicitly confirm that the information mentioned under (1) does not need to be re-submitted, unless there have been relevant changes. This would better reflect the principles of proportionality and efficiency that underpin the consultation. It would also better reflect the principle included in art. 6 of the CRD that EU competent authorities cooperate with trust and full mutual respect, including when ensuring the flow of appropriate and reliable information between them.

Likewise, when the proposed acquirer is an institution subject to EU fit and proper rules, fit and proper of the institution as well as of each member of the management body shall not be assessed again by the EU competent authority of the target institution.

3. Overly prescriptive requirements in certain cases

We would like to note that some specific requirements may be overprescriptive. For instance Article 10(7) which requires, in relation to acquisitions resulting in a qualifying holding of more than 50%, that, if applicable, the due diligence report be included. We consider that this requirement would be overly prescriptive, given that such report contains sensible and subjective information which furthermore is not relevant to assess the criteria established by the regulation to assess an acquisition of a qualifying holding, and the main contingencies will likely have already been included in the filing (for example, the business plan as assumptions for the different scenarios).

Another concern is where draft RTS concern the acquisitions of qualifying holdings "directly or indirectly". This means that in large groups, when there is a chain of control, each entity part of such chain must file an authorization. This is an unnecessary administrative layer and triggers a high level of costs for groups. One file for the concerned group should be sufficient. Likewise, in large groups, changes in the chain of control should not trigger a request for authorization when the ultimate beneficiary is still the same entity which is a supervised entity. In such cases, a simple notification should be sufficient.

Furthermore, the draft provides an obligation to keep the competent authority informed of any new fact or issue that may impact its reputation. This point is unduly burdensome and unnecessary when the proposed acquirer is an EU financial institution already supervised by the competent authority of an EU Member State. If a proposed acquirer takes over time qualifying holdings in several Members States and if it triggers each time an obligation to disclose/notify competent authorities of each of the target companies when changes occur, then this proposed acquirer becomes "supervised" by several EU competent authorities which is not acceptable and impossible to monitor in practice.

4. Avoid duplication with CRD VI approval processes

Overall, the list of information required under the draft RTS should be aligned with other approval processes introduced under CRD VI, particularly those relating to mergers and divisions, acquisition of material holdings, and significant intra-group transactions. These procedures may require similar types of information to those outlined in this RTS. Without proper coordination between these regimes, institutions may be required to submit different sets of documentation covering the same topics, which could lead to inconsistencies, operational inefficiencies, and delays in executing time-sensitive transactions. An integrated and harmonised approach would help streamline regulatory processes and reduce unnecessary administrative burden.

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About AFME

AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. We advocate stable, competitive, sustainable European financial markets that support economic growth and benefit society.[2]

[2] AFME is the European member of the Global Financial Markets Association (GFMA) a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association (ASIFMA) in Asia. AFME is registered on the EU Transparency Register, registration number 65110063986-76.