ESMA and EBA publish guidelines to harmonise the supervisory review and evaluation process of investment firms

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The European Securities and Markets Authority (ESMA), the EU's securities markets regulator, and the European Banking Authority (EBA) today published final Guidelines on common procedures and methodologies for the supervisory review and evaluation process (SREP) for investment firms.

The guidelines are based on the Investment Firms Directive (IFD) and aim to harmonise the supervisory practices regarding the supervisory review and evaluation process of investment firms.

The final SREP Guidelines have been developed jointly with the EBA. They set out the common process and criteria for the assessment of the main SREP elements, including:

business model;

governance arrangements and firm-wide controls;

risks to capital and capital adequacy; and

liquidity risk and liquidity adequacy.

The criteria for the assessment of risks in the joint Guidelines follow the requirements of the Investment Firms Regulation and IFD and the procedures and methodologies provided are proportionate to the nature, size and activities of investment firms.

Next steps

The guidelines will be translated into the official EU languages and published on the ESMA and EBA websites.

Further information:

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