

*Suppliment tal-Gazzetta tal-Gvern ta' Malta Nru. 20,774, 27 ta' Jannar, 2022*

*Taqsimha B*

**L.N. 22 of 2022**

**INVESTMENT SERVICES ACT  
(CAP. 370)**

**Investment Services Act (Supervisory Review Investment Firms  
Directive) Regulations, 2022**

IN EXERCISE of the powers conferred by article 12 of the Investment Services Act, the Minister responsible for the regulation of Financial Services, acting on the advice of the Malta Financial Services Authority, has made the following regulations:

1. (1) The title of these regulations is the Investment Services Act (Supervisory Review Investment Firms Directive) Regulations, 2022. Citation, scope and commencement.

(2) The scope of these regulations is to transpose Articles 7, 8, 13, 14, 15, 34, 36, 37, 38, 39, 40, 41, 42, 43, and 45 of 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.

(3) These regulations shall come into force on such date as the Minister may by notice in the Gazette establish.

2. (1) In these regulations, unless the context otherwise requires: Interpretation.

"the Act" means the Investment Services Act; Cap. 370.

"CRD" means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"credit institution" means a person licensed in terms of the Banking Act, whose head office is in Malta or an undertaking whose business is to receive deposits or other repayable funds from the public and to grant credits for its own account, authorised by a European regulatory authority in terms of the CRD or authorised by a European regulatory authority in an EEA Cap. 371.

Member State;

"CRR" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"EBA" means the European Banking Authority established by Regulation (EU) No 1093/2010;

"EIOPA" means the European Insurance and Occupational Pensions Authority as established by Regulation (EU) No 1094/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Insurance and Occupational Pensions Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/79/EC;

"ESCB central banks" shall have the same meaning as that assigned to it in point 45 of Article 4(1) of the CRR;

"ESFS" means the European System of Financial Supervision;

"ESRB" means the European Systemic Risk Board established by Regulation (EU) No 1092/2010;

"European investment firm" means a firm as defined in Article 4(22) of the IFR, authorised by its European regulatory authority within the meaning of Article 5 of the MiFID, or authorised by a European regulatory authority in an EEA State;

"home member state" means

(a) in the case of an investment firm, within the meaning of these regulations, Malta;

(b) in the case of a "European investment firm", within the meaning of these regulations, the Member State where such European investment Firm is authorised by its European regulatory authority;

"host member state" means a Member State or an EEA State where an investment firm has established a branch or provides services on a cross border basis in terms of the European Passport Rights for Investment Firms Regulations;

"investment firm" means a person who holds an investment services licence issued by the competent authority under the Act, and which is subject to the requirements of the IFD;

"the IFR" means Regulation 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, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"the IFD" means Directive 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, as amended from time to time, and includes any implementing measures that have been or may be issued thereunder;

"Resolution Committee" means the Resolution Committee appointed in terms of article 7B(2) of the Malta Financial Services Authority Act; Cap. 330.

"third country" means a country which is not a Member State or an EEA State.

(2) Words and expressions used in these regulations shall have the same meaning as that assigned to them as in the Act.

**3.** (1) The Malta Financial Services Authority established by the Malta Financial Services Authority Act shall be the designated competent authority in Malta for the purposes of implementing the relevant provisions of the IFD and the IFR and any reference in these regulations to the competent authority shall be read and construed accordingly. Designation and powers of the competent authority. Cap. 330.

(2) The competent authority shall exercise all the functions, obligations and powers pursuant to the IFD and the IFR and shall satisfy all the requirements imposed on competent authorities by the IFD and the IFR.

**4.** In the exercise of its duties, the competent authority shall take into account the convergence in respect of supervisory tools and supervisory practices in the application of the laws, regulations and administrative requirements adopted pursuant to the IFD and the IFR. For that purpose, the competent authority: Co-operation within the European system of financial supervision.

(a) shall co-operate with trust and full mutual respect, as party to the ESFS, in particular when ensuring the exchange of appropriate, reliable and exhaustive information between them and other parties to the ESFS;

(b) shall participate in the activities of the EBA and, as appropriate, in the colleges of supervisors referred to in Article 48 of the IFD and in Article 116 of the CRD;

(c) shall make every effort to comply with those guidelines and recommendations issued by the EBA in accordance with Article 16 of Regulation (EU) No 1093/2010 and to respond to the warnings and recommendations issued by the ESRB pursuant to Article 16 of Regulation (EU) No 1092/2010;

(d) shall co-operate closely with the ESRB;

(e) shall not be inhibited by other national legislative provisions in the performance of its duties as member of the EBA and the ESRB, or its duties under the IFD and the IFR.

Union  
dimension of  
supervision.

**5.** The competent authority shall, in the exercise of its general duties, duly consider the potential impact of its decisions on the stability of the financial system in the other Member States concerned as well as in the Union as a whole and, in particular, in emergency situations, based on the information available at the relevant time.

Collaboration  
concerning  
supervision.

**6.** (1) The competent authority shall collaborate closely with European regulatory authorities, as detailed in Schedule II, for the purpose of its duties pursuant to the IFD and the IFR, and Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 amending Directive (EU) 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, and amending Directives 2009/138/EC and 2013/36/EU, in particular by exchanging information about European investment firms without delay, including:

(a) all information concerning the management and ownership structure of the investment firm;

(b) all information concerning compliance with own funds requirements by the investment firm;

(c) all information concerning compliance with the concentration risk requirements and liquidity requirements of the investment firm;

(d) all information concerning the administrative and accounting procedures and internal control mechanisms of the investment firm;

(e) any other relevant factors that may influence the risk posed by the investment firm.

(2) Where Malta is the home Member State, the competent authority shall provide the European regulatory authorities of the host Member State immediately with any information and findings about any potential problems and risks posed by a European investment firm to the protection of clients or the stability of the financial system in the host Member State which it has identified when supervising the activities of a European investment firm.

(3) Where Malta is the home Member State of the investment firm, the competent authority shall act upon information provided by the European regulatory authorities of the host Member State by taking all measures necessary to avert or remedy the potential problems and risks referred to in sub-regulation (2). The competent authority, if so requested by the European regulatory authorities of the host Member State, shall explain in detail how it has taken into account the information and findings.

(4) (a) Where Malta is the home Member State of an investment firm, and following the communication of the information and findings referred to in sub-regulation (2), the European regulatory authorities of the host Member State consider that the competent authority has not taken the necessary measures referred to in sub-regulation (3), the European regulatory authorities of the host Member State may, after having informed the competent authority, EBA and ESMA, take appropriate measures to protect clients to whom services are provided or to protect the stability of the financial system.

(b) Where Malta is the host Member State of a European Investment Firm, and following the communication of the information and findings equivalent to those referred to in sub-regulation (2) to the European regulatory authority, and the competent authority considers that the European regulatory authority has not taken the necessary measures equivalent to those referred to in sub-regulation (3), the competent authority may, after having informed the European regulatory authority, EBA and ESMA, take appropriate measures to protect clients to whom services are provided or to protect the stability of the financial system.

(5) The competent authority may refer to the EBA situations

where a request for collaboration to a European regulatory authority, in particular to exchange information, has been rejected or has not been acted upon within a reasonable time.

(6) Where the competent authority disagrees with the measures to be taken by the European regulatory authority of the host Member State in relation to the information and findings referred to in sub-regulation (2), the competent authority may refer the matter to the EBA and request its assistance in accordance with Article 19 of the IFR.

(7) Where Malta is the home Member State of the investment firm, for the purpose of assessing the condition in point (c) of the first sub-paragraph of Article 23(1) of the IFR, the competent authority may request the competent authority of a Maltese clearing member to provide information relating to the margin model and parameters used for the calculation of the margin requirement of the relevant investment firm.

(8) The competent authority may exchange information with the bodies listed and in the manner specified in Schedule V for the better carrying out of its supervisory functions in accordance with the IFD and the IFR:

Provided that the information received or exchanged by the competent authority or by its officers, employees or agents as well as inspectors, auditors and experts engaged by the competent authority, from the bodies listed in the said Schedule, shall be treated as confidential and protected by the duty of professional secrecy.

On-the-spot checks and inspections of branches in another Member State.

7. (1) Where a European investment firm carries out its activities through a branch in Malta, the competent authority may permit the European regulatory authority of the home Member State concerned, after it has notified the competent authority, to carry out, itself or through an intermediary appointed for that purpose, on-the-spot checks of the information referred to in regulation 6 and inspections of such branches.

(2) The competent authority may carry out, on a case-by-case basis, on-the-spot checks and inspections of the activities carried out by branches of European investment firms in Malta and require information from a branch about its activities and for supervisory purposes, where it considers it relevant for reasons of stability of the financial system in Malta. Before carrying out such checks and inspections, the competent authority shall consult the European regulatory authority of the home Member State concerned.

(3) On-the-spot checks and inspections of branches when carried out in Malta shall be conducted in accordance with the laws of Malta.

(4) As soon as possible, following completion of those checks and inspections, the competent authority shall communicate to the European regulatory authority of the home Member State, the information obtained and findings that are relevant for the risk assessment of the investment firm concerned.

**8.** (1) The competent authority shall collect the information disclosed publicly by investment firms in relation to Article 51 of the IFR as well as the information provided by investment firms on the gender pay gap and shall use it to benchmark remuneration trends and practices and shall provide this information to the EBA. Oversight of remuneration.

(2) The competent authority shall collect information on the number of natural persons per investment firm that are remunerated €1 million or more per financial year, in pay brackets of €1 million, including data on their work responsibilities, the business area involved and the main elements of their salary, including bonuses, long-service awards and pension contributions.

(3) The competent authority can demand investment firms to provide it with the total remuneration figures for each member of the management body or senior management.

(4) The competent authority shall forward the information contained in sub-regulations (2) and (3) to the EBA.

**9.** (1) The competent authority shall review, to the extent relevant and necessary, taking into account the investment firm's size, risk profile and business model, the arrangements, strategies, processes and mechanisms implemented by the investment firm to comply with the IFD and IFR and evaluate the following as appropriate and relevant, so as to ensure a sound management and coverage of its risks: Supervisory review and evaluation.

(a) the risks referred to in Article 29 of the IFD;

(b) the geographical location of an investment firm's exposures;

(c) the business model of the investment firm;

(d) the assessment of systemic risk, taking into account the identification and measurement of systemic risk under Article 23 of the IFR or recommendations of the ESRB;

(e) the risks posed to the security of investment firms' network and information systems to ensure confidentiality, integrity and availability of their processes, data and assets;

(f) the exposure of investment firms to the interest rate risk arising from non-trading book activities;

(g) governance arrangements of investment firms and the ability of members of the management body to perform their duties:

Provided that for the purposes of this sub-regulation, the competent authority shall duly take into account whether the investment firm holds a professional indemnity insurance.

S.L. 370.05.

(2) The competent authority shall establish the frequency and intensity of the review and evaluation referred to in sub-regulation (1) having regard to the size, systemic importance, nature, scale and complexity of the activities of the investment firm concerned and taking into account the principle of proportionality. The provisions of the Investment Services Act (Control of Assets) Regulations must be taken into consideration.

(3) The competent authority shall decide on a case-by-case basis whether and in which form the review and evaluation is to be carried out with regard to investment firms that meet the conditions for qualifying as small and non-interconnected investment firms set out in Article 12(1) of the IFR, only where it deems it to be necessary due to the size, nature, scale and complexity of the activities of those investment firms.

(4) When conducting the review and evaluation referred to in paragraph (g) of sub-regulation (1), the competent authority shall have access to agendas, minutes and supporting documents for meetings of the management body and its committees, and the results of the internal or external evaluation of the performance of the management body.

Ongoing review of permission to use internal models.

**10.** (1) The competent authority shall review on a regular basis, and at least every three years, investment firms' compliance with the requirements for the permission to use internal models as referred to in Article 22 of the IFR. It shall in particular have regard to changes in an investment firm's business and to the implementation of those internal models to new products, and review and assess whether the investment firm uses well-developed and up-to-date techniques and practices for those internal models. The competent authority shall ensure that material deficiencies identified in the coverage of risk by

an investment firm's internal models are rectified, or take steps to mitigate their consequences, including by imposing capital add-ons or higher multiplication factors.

(2) Where for an internal market risk model numerous overshootings as referred to in Article 366 of the CRR indicate that the model is not or is no longer sufficiently accurate, the competent authority shall revoke the permission for using the internal model or impose appropriate measures to ensure that the model is improved promptly within a set timeframe.

(3) If an investment firm has received permission from the competent authority to apply an internal model but no longer meets the requirements for applying those internal models, the competent authority shall require the investment firm to either demonstrate to the satisfaction of the competent authority that the effect of non-compliance is immaterial or present a plan and a deadline to comply with the requirements. The competent authority shall require improvements to that plan if it is unlikely to result in full compliance or if the deadline is inappropriate. If the investment firm is unlikely to be able to restore compliance within an appropriate deadline or has not satisfactorily demonstrated that the effect of non-compliance is immaterial, the permission to use the approach shall be revoked or limited to compliant areas or those where compliance can be achieved within an appropriate deadline.

(4) The competent authority shall take into account the analysis carried out by the EBA in terms of Article 37 of the IFD and the guidelines containing benchmarks on the basis of that analysis issued by the EBA, for the review of the permissions it grants to investment firms to use internal models.

**11.** (1) The competent authority shall require an investment firm to take the necessary measures at an early stage to address relevant problems in circumstances where: Supervisory measures.

(a) the investment firm does not meet the requirements of the Act, regulations or Investment Services Rules issued thereunder, transposing the requirements of the IFD or of the IFR;

(b) the competent authority has evidence that the investment firm is likely to breach the Act, regulations or Investment Services Rules issued thereunder, or the provisions of the IFR, within the following twelve months.

(2) For the purposes of sub-regulation (1), the powers of the

competent authority shall include those contained in Schedule I.

(3) The competent authority has the supervisory powers to intervene in the exercise of its functions into the activity of investment firms in an effective and proportionate way.

(4) For the purposes of regulations 10, 11(3), 12 and of the application of the IFR, the competent authority shall have the powers as designated in Schedule I below.

Specific  
liquidity  
requirements.

**12.** (1) The competent authority shall impose the specific liquidity requirements referred to in paragraph (1)(k) of Schedule I only where, on the basis of the reviews carried out in accordance with regulations 9 and 10, it concludes that an investment firm that does not meet the conditions for qualifying as a small and non-interconnected investment firm set out in Article 12(1) of the IFR or that meets the conditions set out in Article 12(1) of the IFR but has not been exempted from liquidity requirement in accordance with Article 43(1) of the IFR is in one of the following situations:

(a) the investment firm is exposed to liquidity risk or elements of liquidity risk that are material and are not covered or not sufficiently covered by the liquidity requirement set out in Part Five of the IFR;

(b) the investment firm does not meet the requirements set out in Articles 24 and 26 of the IFD and other administrative measures are unlikely to sufficiently improve the arrangements, processes, mechanisms and strategies within an appropriate timeframe.

(2) For the purposes of paragraph (a) of regulation 18(1), liquidity risk or elements of liquidity risk shall be considered not to be covered or to be insufficiently covered by the liquidity requirement set out in Part Five of the IFR only where the amounts and types of liquidity considered adequate by the competent authority following the supervisory review of the assessment carried out by investment firms in accordance with Article 24(1) of the IFD are higher than the investment firm's liquidity requirement set out in Part Five of the IFR.

(3) The competent authority shall determine the level of the specific liquidity required pursuant to paragraph (1)(k) of Schedule I as the difference between the liquidity considered adequate pursuant to sub-regulation (2) and the liquidity requirement set out in Part Five of the IFR.

(4) The competent authority shall require investment firms to

meet the specific liquidity requirements referred to in paragraph (1)(k) of Schedule I with liquid assets as set out in Article 43 of the IFR.

(5) The competent authority shall substantiate in writing its decision to impose a specific liquidity requirement as referred to in paragraph (1)(k) of Schedule I by giving a clear account of the full assessment of the elements referred to in sub-regulations (1) to (3).

**13.** The competent authority shall inform the EBA of:

Notification to EBA by the competent authority.

(a) its review and evaluation process referred to in regulation 9;

(b) the methodology used for decisions referred to in regulation 12 and Schedule I;

(c) the level of administrative sanctions laid down by Member States, referred to in Article 18 of the IFD.

**14.** The competent authority, when processing personal data for the purposes of the IFD, shall do so in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

Data protection.

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**SCHEDULE I**  
**SUPERVISORY POWERS**  
(Regulations 9, 10, 11(3), and 12)

(1) For the purposes of regulations 9, 10, 11(3), and 12 and the application of the IFR, the competent authority shall have at least the following powers:

(a) to require investment firms to hold own funds in excess of the requirements set out in Article 11 of the IFR, under the conditions of the Investment Services Rules transposing the requirements of Article 40 of the IFD or to adjust the own funds and liquid assets required in case of material changes in the business of those investment firms;

(b) to require the reinforcement of the arrangements, processes, mechanisms and strategies implemented in accordance with the Investment Services Rules transposing the requirements of Articles 24 and 26 of the IFD;

(c) to require investment firms to present, within one year, a plan to restore compliance with supervisory requirements pursuant to the Act, regulations or Investment Services Rules issued thereunder, the IFD, and to the IFR and set a deadline for its implementation, including improvements to that plan regarding scope and deadline;

(d) to require investment firms to apply a specific provisioning policy or treatment of assets in terms of own funds requirements;

(e) to restrict or limit the business, operations or network of investment firms or to request the divestment of activities that pose excessive risks to the soundness of an investment firm;

(f) to require the reduction of the risk inherent in the activities, products and systems of investment firms;

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

(h) to require investment firms to use net profits to strengthen own funds;

(i) to restrict or prohibit distributions or interest payments by an investment firm to shareholders, members or holders of Additional Tier 1 instruments within the meaning of the IFR, where the prohibition does not constitute an event of default of the investment firm;

(j) to impose additional or more frequent reporting requirements to those set in the IFD and the IFR, including reporting on capital and liquidity positions;

(k) to impose specific liquidity requirements in accordance with Article 42 of the IFD;

(l) to require additional disclosures;

(m) to require investment firms to reduce the risks posed to the security of investment firms' network and information systems to ensure confidentiality, integrity and availability of their processes, data and assets:

Provided that, the competent authority shall notify the Resolution Committee of any additional own funds requirement imposed pursuant to sub-paragraph (a) for an investment firm that falls

under the scope of the BRRD.

(2) For the purposes of paragraph (1)(j), the competent authority may only impose additional or more frequent reporting requirements on investment firms where the information to be reported is not duplicative and one of the following conditions is met:

(a) one of the cases referred to in paragraphs (a) and (b) of regulation 11(1) applies;

(b) the competent authority considers it to be necessary to gather the evidence referred to in paragraph (b) of regulation 11(1);

(c) the additional information is required for the purpose of the supervisory review and evaluation process referred to in regulation 9:

Provided that, information shall be deemed to be duplicative where the competent authority already has the same or substantially the same information, where that information is capable of being produced by the competent authority or of being obtained by the same competent authority through other means than a requirement on the investment firm to report it. The competent authority shall not require additional information where the information is available to the competent authority in a different format or level of granularity than the additional information to be reported and that different format or granularity does not prevent it from producing substantially similar information.

(3) The additional own funds requirements referred to in paragraph (1)(a) shall be imposed by the competent authority only where, on the basis of the reviews carried out in accordance with regulations 9 and 10, it ascertains any of the following situations for an investment firm:

(a) the investment firm is exposed to risks or elements of risks, or poses risks to others that are material and are not covered or not sufficiently covered by the own funds requirement, and especially K-factor requirements, set out in Parts Three or Four of the IFR;

(b) the investment firm does not meet the requirements set out in Articles 24 and 26 of the IFD and other supervisory measures are unlikely to sufficiently improve the arrangements, processes, mechanisms and strategies within an appropriate timeframe;

(c) the adjustments in relation to the prudent valuation of the trading book are insufficient to enable the investment firm to sell or hedge out its positions within a short period without incurring material losses under normal market conditions;

(d) the review carried out in accordance with regulation 10 shows that non-compliance with the requirements for the application of the permitted internal models will likely lead to inadequate levels of capital;

(e) the investment firm repeatedly fails to establish or maintain an adequate level of additional own funds as set out in Article 41 of the IFD.

(4) For the purposes of paragraph (3)(a), risks or elements of risks shall be considered not to be covered or to be insufficiently covered by the own funds requirements set out in Parts Three and Four of the IFR only where the amounts, types and distribution of capital considered adequate by the competent authority following the supervisory review of the assessment carried out by investment firms in accordance with Article 24(1) of the IFD are higher than the investment firm's own funds requirement set out in Parts Three or Four of the IFR:

Provided that, for the purposes of this paragraph, the capital considered to be adequate may include risks or elements of risks that are explicitly excluded from the own funds requirement set out in Parts Three or Four of the IFR.

(5) The competent authority shall determine the level of the additional own funds required pursuant to paragraph (1)(a) as the difference between the capital considered adequate pursuant to paragraph (4) and the own funds requirement set out in Parts Three or Four of the IFR.

(6) The competent authority shall require investment firms to meet the additional own funds requirement referred to in paragraph (1)(a) with own funds subject to the following conditions:

(a) at least three quarters of the additional own funds requirement is met with Tier 1 capital as defined in the IFR;

(b) at least three quarters of the Tier 1 capital as defined in the IFR is composed of Common Equity Tier 1 capital as defined in the IFR;

(c) those own funds are not used to meet any of the own

funds requirements set out in points (a), (b) and (c) of Article 11(1) of the IFR.

(7) The competent authority shall substantiate in writing its decision to impose an additional own funds requirement as referred to in paragraph (1)(a) by giving a clear account of the full assessment of the elements referred to in paragraphs (3) to (6). In the case set out in paragraph (3)(d), that includes a specific statement of why the level of capital established in accordance with Article 41(1) of the IFR is no longer considered sufficient.

(8) Competent authorities may impose an additional own funds requirement in accordance with paragraphs (3) to (7) on investment firms that meet the conditions for qualifying as small and non-interconnected investment firms set out in Article 12(1) of the IFR on the basis of a case-by-case assessment and where the competent authority deems it to be justified.

(9) Taking into account the principle of proportionality and commensurate with the size, systemic importance, nature, scale and complexity of activities of investment firms that do not meet the conditions for qualifying as small and non-interconnected investment firms set out in Article 12(1) of the IFR, the competent authority may require such investment firms to have levels of own funds which, based on Article 24 of the IFD, are sufficiently above the requirements set out in Part Three of the IFR and in the IFD, including the additional own funds requirements referred to in paragraph (1)(a), to ensure that cyclical economic fluctuations do not lead to a breach of those requirements or threaten the ability of the investment firm to wind down and cease activities in an orderly manner.

(10) The competent authority shall, where appropriate, review the level of own funds that has been set by each investment firm that does not meet the conditions for qualifying as a small and non-interconnected investment firm set out in Article 12(1) of the IFR, in accordance with paragraph (9) and, where relevant, shall communicate the conclusions of that review to the investment firm concerned, including any expectation for adjustments to the level of own funds established in accordance with paragraph (9). Such a communication shall include the date by which the competent authority requires the adjustment to be completed:

Provided that, the competent authority shall notify the Resolution Committee of any additional own funds requirement imposed pursuant to paragraph (1)(a) for an investment firm that falls under the scope of the BRRD and about any expectation for adjustments pursuant to this paragraph.

SCHEDULE II  
BODIES WITH WHOM THE COMPETENT AUTHORITY MAY  
EXCHANGE INFORMATION  
(Regulation 6)

The competent authority may exchange information with:

(1) Other European regulatory authorities and may transmit information to the ESRB, EBA, ESMA, central banks of the Member States, the European System of Central Banks (ESCB) and the European Central Bank in their capacity as monetary authorities and, where appropriate, public authorities responsible for overseeing payment and settlement systems, with confidential information where that information is necessary for the performance of their tasks, and in accordance with the IFD and the IFR.

(2) Bodies or authorities responsible for supervising the entities governed by and listed in points (1) and (2) of Article 2(1) of Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Regulation (EU) No 648/2012 of the European Parliament and of the Council, and repealing Directive 2005/60/EC of the European Parliament and of the Council and Commission Directive 2006/70/EC, for compliance with the said Directive (EU) 2015/849.