

EBA/CP/2025/11

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07 July 2025

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# Consultation Paper

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Draft Guidelines on ancillary services undertakings

specifying the criteria for the identification of activities referred  
to in Article 4(1)(18) of Regulation (EU) No 575/2013

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# 1. Responding to this consultation

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The EBA invites comments on all proposals put forward in this paper and in particular on the specific questions summarised in 5.2.

Comments are most helpful if they:

- respond to the question stated;
- indicate the specific point to which a comment relates;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative regulatory choices the EBA should consider.

## **Submission of responses**

To submit your comments, click on the ‘send your comments’ button on the consultation page by 07.10.2025. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

## **Publication of responses**

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA’s rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA’s Board of Appeal and the European Ombudsman.

## **Data protection**

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EU) 1725/2018 of the European Parliament and of the Council of 23 October 2018. Further information on data protection can be found under the Legal notice section of the EBA website.

## 2. Executive Summary

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Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 (Regulation (EU) 2024/1623) amending the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 (Regulation (EU) No 575/2013) has amended, among others, the definitions of ‘ancillary services undertaking’ and ‘financial institution’ under points (18) and (26) of Article 4(1) Regulation (EU) No 575/2013, respectively. Those changes aim to promote more clarity in the previous definitions, ensure a consistent application of the consolidation framework across Member States and allow supervisors to better detect and address the risks that groups are exposed to on a consolidated basis.

Article 4(5) of Regulation (EU) No 575/2013, as amended by Regulation (EU) 2024/1623, mandates the EBA to issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, to specify the criteria for the identification of activities referred to in paragraph 1, first subparagraph, point (18) of Article 4 of Regulation (EU) No 575/2013. Those activities refer to (i) activities that should be considered a direct extension of banking under point (a); (ii) operational leasing, the ownership or management of property, the provision of data processing services or any other activity insofar as those activities are ancillary to banking under point (b); and (iii) any other activity considered similar by the EBA to those referred to in points (a) and (b) of Article 4(1)(18) of Regulation (EU) No 575/2013.

The guidelines contain five sections:

- (i) General provisions;
- (ii) Criteria to determine activities to be considered a direct extension of banking under Article 4(1)(18)(a) of Regulation (EU) No 575/2013;
- (iii) Criteria to determine activities to be considered ancillary to banking under Article 4(1)(18)(b) of Regulation (EU) No 575/2013;
- (iv) Determination of activities to be considered similar to points (a) and (b) under Article 4(1)(18)(c) of Regulation (EU) No 575/2013; and
- (v) Principal activity of an ancillary services undertaking.

Previous work carried out by the EBA and related findings on the regulatory perimeter and consolidation issues, as well as the recommendations provided in the 2022 Joint ESA response to the Commission’s Call for Advice on digital finance<sup>1</sup>, have been duly taken into account in the development of these guidelines. In addition, existing practices followed by competent authorities have also been considered.

These guidelines elaborate on (i) the activities that should be considered a direct extension of banking, in particular, with reference to those that are a fundamental part of the value chain

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<sup>1</sup> [2022 Joint ESA response to Commission's Call for Advice on digital finance.](#)

of core banking services, other (new) forms of lending, and services and activities that involve maturity transformation, liquidity transformation, leverage or credit risk transfer when provided by undertakings identified as shadow banking entities for the purposes of Article 394(2) of Regulation (EU) 575/2013; (ii) the activities that should be considered ancillary to banking, with respect to operational leasing, the ownership or management of property and the provision of data processing services and also to other activities that either support, complement or rely on banking; and (iii) the process to determine the activities considered similar by EBA to those referred to in points (a) and (b) of Article 4(1)(18) of Regulation (EU) No 575/2013.

The guidelines should be read in conjunction with, but without prejudice to, Regulation (EU) 2022/676 (RTS on methods of prudential consolidation).

## Next steps

The guidelines will be translated into the official EU languages and published on the EBA website. The deadline for competent authorities to report whether they comply with the guidelines will be two months after the publication of the translations. The guidelines will apply from [ ].

### 3. Background and rationale

1. Ancillary services undertakings (ASUs) are an integral part of the banking business, in particular, when they are closely interlinked with banking functions such as lending, payment services or asset management. ASUs encompass a wide range of activities which represent a direct extension of banking, and other ancillary activities such as the ownership or management of property, operational leasing or the provision of data processing services insofar as these activities are ancillary to banking. While these activities are not primary financial activities, they can play an important role in the overall functioning and efficiency of institutions and financial institutions. As such, their qualification as ASU is of paramount importance to ensure that, from a prudential perspective, the risks associated with their activities are integrated within the overall risk management framework and sufficient capital is held to cover for the risks stemming from their operations.
2. In November 2017, the EBA published an opinion and a report on matters relating to other financial intermediaries and regulatory perimeter issues. In that opinion, the EBA observed that the definitions of ‘ancillary services undertaking’ and ‘financial institution’ set out in points (18) and (26) of Article 4(1) of Regulation (EU) No 575/2013, were prone to different interpretations across the Member States, thereby resulting in possible inconsistencies in the way the consolidation rules under Article 18 of Regulation (EU) No 575/2013 are applied. Moreover, in January 2022 the Joint ESA response to the Commission’s Call for Advice on digital finance stressed that prudential rules as envisaged by Regulation (EU) No 575/2013 at that time, might have not been able to capture the specific nature and inherent risks of new combinations of activities carried out by new mixed activity groups, including BigTech and FinTech companies, which may perform financial activities but do not fall within the consolidation rules under Regulation (EU) No 575/2013.
3. The new EU banking package has amended and clarified those definitions, among others related to prudential consolidation, to ensure a proper supervisory assessment of the risks that a banking group is exposed to at consolidated level, while allowing some flexibility to adapt to new sources of risk. Moreover, the revision of these definitions should also ensure that undertakings providing digital activities ancillary to banking are included in the scope of prudential consolidation, also when heading a banking group.
4. Following the amendments of Regulation (EU) 2024/1623, ASUs are undertakings that perform as principal activity either: (a) direct extension of banking; (b) operational leasing, the ownership or management of property, the provision of data processing services or any other activity insofar as those activities are ancillary to banking; or (c) any

other activity considered similar by EBA to those referred to in points (a) and (b) in accordance with Article 4(1)(18) of Regulation (EU) No 575/2013. In addition, ASUs are included in the definition of ‘financial institutions’ under Article 4(1)(26) of Regulation (EU) No 575/2013 and, as such, able to qualify as financial sector entities under point (27) of Article 4(1) of Regulation (EU) No 575/2013 and as financial holding companies or to count towards the indicators laid down in point (20) of that Article.

5. While the amended definitions close existing discrepancies and loopholes in the regulatory provisions concerning prudential consolidation, further clarifications are warranted on the criteria to be applied for determining which activities should fall under points (a), (b) and (c) of Article 4(1)(18) of Regulation (EU) No 575/2013, as well as on certain concepts such as ‘banking’, ‘operational leasing’ and ‘principal activity of an ancillary services undertaking’, to ensure consistent practices and to promote supervisory convergence in the qualification of ASUs across Member States.

### 3.1 Rationale and objective of the guidelines

6. The purpose of these guidelines is to define clear, simple and consistent criteria for the identification of activities that fall under the definition of ASU as per Article 4(1)(18) of Regulation (EU) No 575/2013. The overarching objective is to promote harmonised practices across the EU, ensuring a level playing field and greater comparability of prudential requirements.
7. In this regard, the guidelines provide the criteria, complemented by a list of activities, that should be considered to determine whether an undertaking performs activities that qualify as ‘direct extension of banking’ within the meaning of point (a) of that Article. The guidelines also provide criteria for institutions to determine when the principal activity of an undertaking supports, complements or relies on banking in a way that should be considered ‘ancillary to banking’ within the meaning of Article 4(1)(18)(b) of Regulation (EU) No 575/2013. Additional consideration is given to those activities that are listed in point (b) of that Article (i.e. operational leasing, the ownership or management of property, and the provision of data processing services) for which further specifications are provided herein.
8. In addition, to determine which activities should be considered by the EBA as similar to those referred to in points (a) and (b) of Article 4(1)(18) of Regulation (EU) No 575/2013, the guidelines describe the process that should be followed on a case-by-case basis.
9. These guidelines also provide clarifications on concepts that are embedded in the ASU definition and thereby key for a proper application of that definition, such as (i) ‘principal activity of an ancillary services undertaking’ determinant for an undertaking to qualify as an ASU; the term ‘banking’, necessary to assess which activities are ancillary under Article 4(1)(18)(b) of Regulation (EU) No 575/2013; and (ii) ‘operational leasing’ as

one of the activities mentioned in that Article. These concepts have been clarified relying, to the extent possible, on already existing definitions or on similar approaches already set out in other parts of the prudential framework.

10. More in particular, these guidelines specify that an undertaking should be considered as performing activities referred to in points (a), (b) or (c) of Article 4(1)(18) of Regulation (EU) No 575/2013 as its principal activity on the basis of certain thresholds being triggered. The approach envisaged is similar to the one used for identifying a ‘financial holding company’ under Article 4(1)(20) of Regulation (EU) No 575/2013. Accordingly, a list of indicators is provided including all those relevant to financial holding companies, with the exception of the equity indicator, as its use would not be feasible for assessing the principal activity of an undertaking on an individual basis.
11. In this regard, the assessment of the principal activity for the qualification of an undertaking as ASU should be carried out cumulatively. This means that if an undertaking engages in more than one activity falling within the scope of these guidelines, all such activities should be considered collectively in the assessment of its principal activity. In those cases where none of the thresholds set out in these guidelines are met, an activity can be regarded as an undertaking’s principal activity on a case-by-case basis to the satisfaction of the competent authority.
12. These guidelines have been structured in five main sections that specify the criteria to be applied for Article 4(1)(18) of Regulation (EU) No 575/2013. Notwithstanding, the assessment of qualification as ASU should be performed in a holistic manner and any undertaking performing activities that meet the criteria set out in Sections 4.2 to 4.4 as principal activity should be regarded as ASU under Article 4(1)(18) of Regulation (EU) No 575/2013.
13. In addition, the guidelines clarify that undertakings should not be regarded as ASU if (i) they are explicitly excluded from the definition of a financial institution under Article 4(1)(26)(a) of the Regulation (EU) No 575/2013, or (ii) they are already included in the definition of financial sector entity under point (27) of Article 4(1) of Regulation (EU) No 575/2013, for any other reason than been ASU.

### **3.1.1 Direct extension of banking**

14. In accordance with Article 4(1)(18)(a) of Regulation (EU) No 575/2013, undertakings that perform, as their principal activity, a direct extension of banking shall qualify as ASU. These guidelines provide the criteria – complemented by a list of activities - that should be used to determine what falls within the ‘direct extension of banking’ category.
15. Activities considered as a ‘direct extension of banking’ should include those that are inherently of financial nature. Having due regard to EBA’s previous work on prudential



consolidation and regulatory perimeter issues, these guidelines differentiate between three different categories:

- a. activities that are fundamental to the value chain of core banking services, this refers to those activities which are closely integrated to the value chain of the core banking services<sup>2</sup> of an institution or financial institution and would have to be carried out by an institution or financial institution as part of their day-to-day business. These include, where mainly provided to, or in the interest of, institutions or financial institutions, the following non-exhaustive list of activities: (i) the brokerage of commercial or residential loans or deposits, (ii) loan servicing activities, (iii) creditworthiness assessment of individual clients of an institution or financial institution, (iv) the recovery of debt, (v) the management of risks stemming from core banking services, (vi) the valuation of collateral and (vii) the acquisition, ownership, management and liquidation of repossessed assets for the direct or indirect interest of an institution or financial institution.;
- b. services and activities that involve maturity transformation, liquidity transformation, leverage or credit risk transfer when provided by undertakings that would qualify as shadow banking entities<sup>3</sup> for the purposes of Article 394(2) of Regulation (EU) 575/2013. These activities should be regarded as direct extensions of banking since they encompass various forms of banking activities (i.e. taking funds from the public, lending over long periods and taking in deposits that are available immediately, taking on the risk of the borrower not being able to repay, or using borrowed money, directly or indirectly, to buy other assets<sup>4</sup>) that are conducted outside the regular banking system;
- c. other activities that are related to lending, which refers to new forms of lending that have been observed in the Joint ESA response to the Commission's Call for Advice on digital finance, meant to tackle the consolidation issues regarding new mixed-activity groups. These activities entail loan intermediation and distribution, which, although not involving credit risk-taking by the undertaking, should still be considered as contributing to credit granting and, as such, as a direct extension of banking.

16. The assessment to determine if an undertaking performs 'direct extension of banking' activities should be carried out for all undertakings, whether inside or outside of the group. Such scope is warranted by the intrinsic nature of the activities classified as 'di-

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<sup>2</sup> In accordance with Recital (5) of Regulation (EU) 2024/1623, core banking services refer to the activities listed in Annex I, points 1, 2 and 6, to Directive 2013/36/EU.

<sup>3</sup> For the purpose of these guidelines, collective investment undertakings (CIUs) should not be considered in scope of this assessment.

<sup>4</sup> See [Consultation Paper on the RTS on shadow banking](#).

rect extension of banking’ whose characteristics resemble those of institutions or financial institutions, particularly, on the risks associated with their operations. Therefore, their qualification as ASUs should be ensured in all circumstances.

### **3.1.2 Ancillary to banking**

17. In accordance with Article 4(1)(18)(b) of Regulation (EU) No 575/2013, an undertaking should be regarded as ASU when its principal activity encompasses operational leasing, the ownership or management of property, the provision of data processing services or any other activity insofar as they are ancillary to banking. This wording implies that the qualification of an undertaking as ASU is not determined solely by the nature of the activity itself, but rather the existence of a clear link or connection between that and banking. In practice, this establishes a specific test that must be carried out to assess whether the activities listed therein - or any other activities - are sufficiently connected to banking to be considered ancillary to it.
18. In that regard, the guidelines first clarify the meaning of the term ‘banking’, necessary to determine the ancillary nature of the concerned activity. The definition provided is based on the list of services and activities that qualify an undertaking as an institution or a financial institution, as set out in Directive 2013/36/EU and Directive 2014/65/EU.
19. Second, these guidelines establish the general criteria for determining when an activity should be considered ‘ancillary to banking’. This determination is made by assessing the extent to which the activity:
  - a. supports banking, considered to be the case when an activity significantly improves the efficiency and effectiveness of banking processes, or enables or facilitates the delivery of banking products and/or services to clients;
  - b. complements banking, considered to be the case when cross-selling practices and specific distribution and marketing channels allow to expand the offer of banking or ancillary services; and/or
  - c. relies on banking, deemed to occur when the activity depends significantly on relevant banking products or services, or on funding provided by an institution or financial institution of the group.
20. The assessment should be conducted holistically, also noting that multiple dimensions may be fulfilled simultaneously. The significance of the relationship between the undertaking’s activities and banking should also be considered, ensuring that only activities with a material link to banking operations are captured, while those with negligible connections are disregarded.

21. To ensure consistent application of the general principles provided to assess the ancillary nature of any activity, the guidelines provide further specification on how to assess the criteria to the activities explicitly listed in Article 4(1)(18)(b) of Regulation (EU) No 575/2013 – i.e. operational leasing, the ownership or management of property, and the provision of data processing services. Specific examples are provided to illustrate when these activities may support banking (e.g. the provision of data processing services supporting lending operations), complement it (e.g. evident cross-selling between the two activities), or rely on it (e.g. significant funding provided by an institution or financial institution of the group to the undertaking).
22. The assessment of whether an activity is ancillary to banking should be limited only to cases where the activity is performed by an undertaking that – when regarded as ASU – have to or may be included in the prudential consolidation of the institution ('banking group'), or is collectively owned by institutions within the same institutional protection scheme (IPS)<sup>5</sup>. This limitation reflects the underlying assumption that a meaningful connection to banking exists only in such contexts<sup>6</sup>. This approach ensures proportionality by preventing other undertakings from being qualified as ASUs, and consequently treated as financial institutions for other regulatory purposes (e.g. credit risk framework and deduction regime for financial sector entities).
23. In this regard, cases where an undertaking have to or may be subject to prudential consolidation should encompass all those envisaged by Articles 11 and 18 of Regulation (EU) No 575/2013, which includes parent undertakings, subsidiaries and joint arrangements, along with situations of significant influence, unified management, or single management. Moreover, the ancillary assessment is also required when the undertaking, if qualified as an ASU, either meets the definition of financial holding company itself or contributes to another undertaking being considered a financial holding company, in accordance with Article 4(1)(20)(d) of Regulation (EU) No 575/2013.
24. Undertakings that are considered ASUs by another institution and included in that institution's scope of prudential consolidation, should also be deemed ASUs for any other undertaking.

### **3.1.3 Other similar activity**

25. For the purposes of Article 4(1)(18)(c) of Regulation (EU) No 575/2013, the guidelines set out the process and assessment criteria to be followed for the identification of additional activities that the EBA may consider similar to those referred to in points (a)

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<sup>5</sup> The existence of the link or connection with banking in the case of undertakings collectively owned by institutions within the same IPS is due to the consideration that such undertakings, despite not subject to prudential consolidation in accordance with Articles 11 and 18 of Regulation (EU) No 575/2013, may still maintain a close operational and functional relationship with the banking activities of the IPS institutions, particularly where their activities are primarily conducted to support those institutions.

<sup>6</sup> Accordingly, no ancillary link should be identified when there is no such relationship with the banking group, even if the undertaking's activities support, complement, or rely on banking.

and (b) of that Article. This approach is intended to ensure that the guidelines remain responsive to emerging sources of risk, including those stemming from activities that do not fully meet the conditions for being classified as a direct extension of banking or as ancillary to banking. Without such approach, these activities may otherwise not be captured as ASU, despite their potential relevance for the risk profile of a banking group.

## 4. Guidelines

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EBA/GL-REC/20XX/XX

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## Draft Guidelines

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on ancillary services undertakings,  
specifying the criteria for the identification of activities referred to Article 4(1)(18) of Regulation (EU) No 575/2013

# 1. Compliance and reporting obligations

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## Status of these guidelines

1. This document contains guidelines issued pursuant to Article 16 of Regulation (EU) No 1093/2010<sup>7</sup>. In accordance with Article 16(3) of Regulation (EU) No 1093/2010, competent authorities and financial institutions must make every effort to comply with the guidelines.
2. Guidelines set the EBA view of appropriate supervisory practices within the European System of Financial Supervision or of how Union law should be applied in a particular area. Competent authorities as defined in Article 4(2) of Regulation (EU) No 1093/2010 to whom guidelines apply should comply by incorporating them into their practices as appropriate (e.g. by amending their legal framework or their supervisory processes), including where guidelines are directed primarily at institutions.

## Reporting requirements

3. According to Article 16(3) of Regulation (EU) No 1093/2010, competent authorities must notify the EBA as to whether they comply or intend to comply with these guidelines, or otherwise with reasons for non-compliance, by [dd.mm.yyyy]. In the absence of any notification by this deadline, competent authorities will be considered by the EBA to be non-compliant. Notifications should be sent by submitting the form available on the EBA website with the reference 'EBA/GL/202x/xx'. Notifications should be submitted by persons with appropriate authority to report compliance on behalf of their competent authorities. Any change in the status of compliance must also be reported to EBA.
4. Notifications will be published on the EBA website, in line with Article 16(3).

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<sup>7</sup> Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, (OJ L 331, 15.12.2010, p.12).

## 2. Subject matter, scope and definitions

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### Subject matter

5. These guidelines specify, in accordance with Article 4(5) of Regulation (EU) No 575/2013, the criteria for the identification of activities referred to in paragraph 1, first subparagraph, point (18) of Article 4 of Regulation (EU) No 575/2013, for the purposes of determining an ancillary services undertaking as defined in Article 4(1)(18) of Regulation (EU) 575/2013 (“ancillary services undertaking” – “ASU”).

### Scope of application

6. These guidelines apply in accordance with the level of application set out in Title II of Part One of Regulation (EU) No 575/2013.
7. These guidelines apply in relation to the qualification of any undertaking as “ancillary service undertaking” in accordance with paragraph 1, first subparagraph, point (18) of Article 4 of Regulation (EU) No 575/2013.

### Addressees

8. These guidelines are addressed to competent authorities as defined in Article 4, points 2(i) and (viii) of Regulation (EU) No 1093/2010, to competent authorities as defined in Article 3(1)(35) of Regulation (EU) 2023/1114, and to financial institutions as defined in Article 4(1) of Regulation (EU) No 1093/2010.

### Definitions

9. Unless otherwise specified, the terms used and defined in Regulation (EU) No 575/2013, Directive 2013/36/EU and Directive 2013/34/EU have the same meaning in these guidelines.



## 3. Implementation

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### Date of application

10. These guidelines apply from dd.mm.yyyy

## 4. Guidelines on ancillary services undertakings

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### 4.1 General provisions

11. An undertaking should not be regarded as an ASU, where one of the following conditions is met:
- a. it is a pure industrial holding company, a securitisation special purpose entity, an insurance holding company as defined in Article 212(1), point (f), of Directive 2009/138/EC or a mixed-activity insurance holding company as defined in Article 212(1), point (g), of that Directive, except where a mixed-activity insurance holding company has a subsidiary institution; or
  - b. it already falls within the definition of institution, financial institution or financial sector entity under points (3), (26) and (27) of Article 4(1) of Regulation (EU) No 575/2013, for any reason other than being an ASU.
12. An ASU included in the consolidated situation of an institution should be regarded as an ASU for any other undertaking.

#### Question for Public Consultation

Q1. Do you have any comments on the general provisions set out in Section 4.1?

### 4.2 Criteria to determine activities to be considered a direct extension of banking under Article 4(1)(18)(a) of Regulation (EU) No 575/2013

13. The following activities should be considered as a direct extension of banking:
- a. activities that are fundamental to the value chain of the core banking services referred to in points 1, 2 and 6 of Annex I to Directive 2013/36/EU;
  - b. services and activities that involve maturity transformation, liquidity transformation, leverage or credit risk transfer when provided by undertakings that would qualify as shadow banking entities for the purposes of Article 394(2) of Regulation (EU) 575/2013;
  - c. other activities that are related to lending.

### Questions for Public Consultation

Q2. Do you agree with the criteria specified for identifying an activity as a ‘direct extension of banking’? Do you believe that other criteria should be included to identify activities that should fall under this definition? If yes, please provide detailed proposals.

Q3. Do you consider appropriate the inclusion of services and activities that involve maturity transformation, liquidity transformation, leverage or credit risk transfer – when conducted by shadow banking entities – as one of the criteria for identifying activities that are a ‘direct extension of banking’?

### Activities fundamental to the value chain of core banking services

14. The following list of activities should be regarded as activities fundamental to the value chain of the core banking services, when mainly provided to, or in the interest of, institutions or financial institutions:
- a. the brokerage of commercial or residential loans or deposits;
  - b. loan servicing, including where it is carried out by credit servicers within the meaning of Article 3(8) of Directive (EU) 2021/2167;
  - c. creditworthiness assessment of individual clients of an institution or a financial institution;
  - d. debt recovery;
  - e. valuation of collateral;
  - f. management of risks stemming from core banking services;
  - g. acquisition, ownership, management and liquidation of repossessed assets for the direct or indirect interest of an institution or financial institution.

### Question for Public Consultation

Q4. Do you have any comments on the use of activities that are fundamental to the value chain of core banking services as a criterion for identifying activities that are a ‘direct extension of banking’? In particular, do you find the definition of and link to core banking services, and the related list of activities sufficiently clear?

### Other activities that are related to lending

15. The following lending-related activities should be regarded as a direct extension of banking:
- a. crowdfunding services within the meaning of Article 2(1)(a) of Regulation (EU) 2020/1503;
  - b. peer-to-peer lending and marketplace lending<sup>8</sup>.

#### Questions for Public Consultation

Q5. Do you consider appropriate the inclusion of ‘other activities related to lending’ as one of the criteria to identify activities that are a ‘direct extension of banking’? Do you consider undertakings that perform one of these activities as their principal activity already qualifying as financial institutions within the meaning of Article 4(1)(26) of Regulation (EU) No 575/2013?

## 4.3 Criteria to determine activities to be considered ancillary to banking under Article 4(1)(18)(b) of Regulation (EU) No 575/2013

### General criteria

16. To assess whether an activity is ‘ancillary to banking’ and therefore falls within the scope of Article 4(1)(18)(b) of Regulation (EU) No 575/2013, the term banking should refer to the provision of any service or activity listed in Annex I, points 1 to 12 and points 15, 16 and 17 to Directive 2013/36/EU and in Annex I, Section A or B to Directive 2014/49/EU, in relation to the financial instruments listed in Annex I, Section C to Directive 2014/65/EU, by an institution or financial institution.
17. An activity should be identified as ancillary to banking when, taking into account the relevance of the link or connection of the activity to banking, it, either:
- a. supports banking;
  - b. complements banking; or
  - c. relies on banking.

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<sup>8</sup> The concept of peer-to-peer lending is based on digital platforms providing an online market that allows lenders to trade directly with borrowers ([EBA report on response to the non-banking lending request from the CFA on digital finance](#), April 2022).

18. For the purposes of assessing whether activities are ancillary to banking, based on the criteria set out in paragraph 17, the assessment should be limited to the activities performed by the following undertakings:

- a. undertakings that, when considered ASU, have to or may be included in the prudential perimeter of consolidation of the institution in accordance with Articles 11 and 18 of Regulation (EU) No 575/2013. This includes parent undertakings, subsidiaries, and joint arrangements, along with any other situations specified in paragraphs 3, 5, and points (a) and (b) of paragraph (6) of Article 18 of Regulation (EU) No 575/2013; or
- b. undertakings in which a direct or indirect participation or other capital ties are held, and that are collectively owned together with other institutions that are members of an institutional protection scheme as referred to in Article 113(7) of Regulation (EU) No 575/2013.

#### A. Support to banking

19. An activity supports banking when it significantly improves the efficiency and effectiveness of banking processes or enables or facilitates the delivery of banking products and/or services to clients. The provision of such supporting services to other ASUs of the group should be considered as indirectly supporting the banking business.

20. Without prejudice to paragraph 19, the following should be seen as supporting activities for the purposes of paragraph 17:

- a. operational support, such as process optimisation and infrastructure development and maintenance;
- b. customer relationship support, such as facilitation of the interaction between customers and the bank (e.g. customer service platforms);
- c. risk management and regulatory compliance support;
- d. strategic and competitive support, such as market research, big data analytics, innovation and digital transformation, or marketing activities;
- e. back-office and administrative support, such as human resources management or document management.

#### B. Complement banking

21. The activity of an undertaking complements banking when:

- a. it allows an institution or financial institution of the group, by means of specific distribution and marketing channels, to expand the offer of its banking services and products to customers of the undertaking; or

- b. the non-banking services and products of the undertaking, by means of specific distribution and marketing channels, are offered and provided to the customer base of an institution or financial institution of the group.
22. The determination of whether an activity complements banking should rely on an objective and factual assessment and not be based on the abstract possibility of the institution or financial institution or the undertaking to offer its services and products to the same customer base.

### C. Reliance on banking

23. The activity of an undertaking relies on banking when:
- a. it significantly relies on relevant banking products or services provided by an institution or a financial institution of the group to perform its activity (e.g. KYC, management of loan applications, credit risk assessment); or
  - b. it significantly relies on funding provided by an institution or financial institution of the group to finance the provision of products or services that are part of its activity. Institutions should not only consider the financing received by the undertaking but also evaluate the existence of any explicit commitment to provide funding.

#### Questions for Public Consultation

Q6. Do you agree with the proposed criteria for identifying activities that are ‘ancillary to banking’? Are the three main criteria specified for that purpose (i.e. support, complement and rely on banking) sufficiently clear? Are there any other criteria that should be included in that regard?

Q7. Do you agree with the approach envisaged in Section 4.3, which limits the assessment of an activity as ‘ancillary to banking’ only to undertakings that have to or may have to be included in the scope of prudential consolidation or are collectively held by institutions belonging to the same IPS?

Q8. Do you have any comments on concept of ‘banking’ specified in Section 4.3, which includes all relevant services or activities provided by institutions or financial institutions?

### Operational leasing

24. For the purposes of these guidelines, operational leasing should refer to a leasing contract that does not substantially transfer to the lessee all the risks and rewards incidental to ownership of the leased asset.

25. Notwithstanding the general criteria provided in paragraphs 16 to 23, operational leasing activities should be considered as ancillary to banking, in any of the following situations:

- a. the leasing of assets is provided to institutions or financial institutions within or outside the group (e.g. leasing of buildings or premises);
- b. the leasing of assets is complemented by the offer and sale of banking products or services to the lessee through an institution or financial institution of the group (e.g. current account or payment services); or
  - i. the leasing of assets relies significantly on the banking business, including situations when the undertaking:
  - ii. significantly relies on relevant banking products or services provided by an institution or financial institution of the group. For instance, where (i) the contract initiation and processing rely on the credit risk assessment performed by an institution or a financial institution of the group; or (ii) the collection of the leasing payments - or any actions to recover the operational leasing claims or underlying assets - is managed by an institution or financial institution of the group; or
  - iii. significantly relies on funding provided by institutions or financial institutions of the group.

### Ownership or management of property

26. Notwithstanding the general criteria provided in 16 to 23, the ownership or management of property activities should be considered as ancillary to banking, in any of the following situations:

- a. the activity supports banking, including situations where:
  - i. the properties owned or managed are used to support the operations of banking business (e.g. bank branches or head offices); or
  - ii. the properties' ownership arises as a direct result of banking business.
- b. the activity complements banking, including situations where:
  - iii. the undertaking actively markets to its clients complementary banking products or services (e.g. mortgages) that support the group cross-selling strategy;
  - iv. institutions or financial institutions of the group actively offer and sell to their clients investments in real estate funds, or invest clients' managed

assets in such real estate funds, the properties of which are to a large degree managed by the undertaking; or

- v. the property management services of the undertaking (e.g. the management of investment properties for clients) are marketed as a supplementary service to those of banking (e.g. portfolio management).
- c. the activity significantly relies on banking, including situations where:
  - vi. for the funding of properties owned or developed, the undertaking significantly relies on financing from institutions or financial institutions of the group; or
  - vii. the undertaking relies on certain banking products or services provided by institutions or financial institutions of the group to carry out its activities. These services should include projects financial risk assessment, risk management, compliance support, or other services which demonstrate a high level of interconnectedness and dependency of the undertaking.

### Provision of data processing services

27. Notwithstanding the general criteria provided in 16 to 23, the provision of data processing services should be considered as ancillary to banking, in any of the following situations:

- a. it supports banking, ensuring that banking operations are carried out effectively (e.g. development and/or maintenance of operating systems supporting the banking operations). The provision of such data processing services to other ASUs of the group should also be deemed as indirectly supporting banking;
- b. it complements banking, for instance, by enhancing, adding value to, or complementing banking products or services. Systematic cross-selling practices and common distribution channels should be taken into account in that respect; or
- c. it relies in a substantial manner on banking, for instance, where the data processing services significantly rely on data provided by or linked to the banking activities (e.g. provision of client payment data analytics).

#### Question for Public Consultation

Q9. Do you have any comments on the specifications provided for the activities explicitly referred to in Article 4(1)(18)(b) of Regulation (EU) No 575/2013? In particular, are the illustrative examples provided therein adequately defined?



## 4.4 Determination of activities to be considered similar to points (a) and (b) under Article 4(1)(18)(c) of Regulation (EU) No 575/2013

28. For the purpose of application of Article 4(1)(18)(c) of Regulation (EU) No 575/2013, competent authorities should notify the EBA without undue delay of an activity that can be deemed similar to those referred under point (a) and (b), identifying the relevant undertaking performing the activity and explaining why its activity should be seen as similar also in accordance with these guidelines.
29. The EBA should apply these guidelines to determine whether the activity notified in accordance with paragraph 28 is similar to the activities referred to in Article 4(1)(18), points (a) and (b) of Regulation (EU) No 575/2013.

### Question for Public Consultation

Q10. Do you have any comments on the process envisaged for the determination of activities to be considered similar to points (a) and (b) under Article 4(1)(18)(c) of Regulation (EU) No 575/2013?

## 4.5 Principal activity of an ancillary services undertaking

30. An undertaking should be regarded as performing activities referred to in points (a), (b) or (c) of Article 4(1)(18) of Regulation (EU) No 575/2013 as principal activity, where the total of these activities covers at least 50% of any of the following indicators:
- a. the undertaking's assets based on its individual situation;
  - b. the undertaking's revenues based on its individual situation;
  - c. the undertaking's personnel based on its individual situation.
31. An activity should be regarded as an undertaking's principal activity even if none of the thresholds set out in paragraph 30 is met, where this can be established on a case-by-case basis to the satisfaction of the competent authority.

### Question for Public Consultation

Q11. Do you have any comments on the clarification of the principal activity of an ASU? Do you consider the definition of this concept useful for the application of Article 4(1)(18) of Regulation (EU) No 575/2013?

**Question for Public Consultation**

Q12. In general, is there any other activity or criteria not explicitly mentioned in these guidelines that should be considered to identify activities as either a 'direct extension of banking' or 'ancillary to banking'?

## 5. Accompanying documents

### 5.1 Draft cost-benefit analysis / impact assessment

Article 4(5) of Regulation (EU) No 575/2013, as amended by Regulation (EU) 2024/1623, mandates the EBA to issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, specifying the criteria for the identification of activities referred to Article 4(1)(18) of Regulation (EU) No 575/2013.

In accordance with Article 16(2) of Regulation (EU) No 2010/1093, the EBA shall, where appropriate, conduct open public consultations regarding the guidelines and recommendations and analyse the potential costs and benefits. To this end, the present section provides a cost-benefit analysis, with an overview of the existing issues that the guidelines are meant to address, as well as the options proposed to tackle these options and their potential impact. Given the nature and the scope of the guidelines, the analysis is high level and qualitative in nature.

#### A. Problem identification

Regulation (EU) 2024/1623 amending Regulation (EU) No 575/2013 has replaced point (18) of Article 4(1) of Regulation (EU) No 575/2013 thereby amending the ‘ancillary services undertaking’ (‘ASU’) definition. The revised definition provides that ASU means an undertaking the principal activity of which, whether provided to undertakings inside the group or to clients outside the group, consists of any of the following: (a) a direct extension of banking; (b) operational leasing, the ownership or management of property, the provision of data processing services or any other activity insofar as those activities are ancillary to banking; (c) any other activity considered similar by EBA to those referred to in points (a) and (b).

In that regard, the EBA is mandated in accordance with Article 4(5) of Regulation (EU) No 575/2013 to issue guidelines specifying the criteria for the identification of activities referred to in Article 4(1)(18) of that Regulation. These guidelines therefore elaborate on (i) the activities that should be considered as a direct extension of banking; (ii) how to identify activities that are ancillary to banking not only with reference to operational leasing, the ownership or management or property or the provision of data processing services but also with reference to any other activity insofar as those are ancillary to banking; (iii) the criteria and process that the EBA will apply to identify activities considered similar to those referred to in points (a) and (b).

The primary problem that the guidelines aim to address is the potential lack of harmonised practices and divergences in the identification of ASUs across Member States, which is crucial for the application of prudential requirements in accordance with Regulation (EU) No 575/2013. This lack of harmonisation may lead to inconsistent approaches on the determination of the regulatory perimeter of consolidation and the compliance with the obligations laid down in Regulation (EU) No 575/2013 on a consolidated basis in accordance with Articles 18

and 11 of that Regulation, respectively, the application of the deduction regime for financial sector entities and the credit risk framework.

## B. Policy objectives

The objective of the guidelines is to establish convergence of institutions and supervisory practices regarding the application of the definition of ASUs by providing clear and objective criteria for the identification of ASUs.

Generally, the guidelines seek to create a level playing field, promote convergence of institutions' practices and enhance comparability of prudential requirements across the EU. They are intended to ensure that institutions are able to identify and properly qualify as ASU those undertakings that perform activities that are either (a) a direct extension of banking, (b) ancillary to banking, or (c) any other activity similar to those referred to previously, when determined by the EBA. Moreover, the guidelines are expected to facilitate the supervision carried out by competent authorities and the analysis of the risks that banking groups are exposed to on a consolidated basis.

## C. Baseline scenario

Institutions, financial holding companies and mixed financial holding companies supervised under Directive 2013/36/EU shall comply with Regulation (EU) No 575/2013 which lay down uniform rules concerning prudential requirements in relation to, among others: (i) own funds, (ii) capital requirements, (iii) large exposures limits, (iv) leverage ratio, and (v) reporting.

For the purposes of that Regulation, institutions, financial holding companies and mixed financial holding companies supervised under Directive 2013/36/EU shall apply the definitions laid down in Article 4(1) of Regulation (EU) No 575/2013, which includes the definition of ASU.

The notion of ASU is relevant for the proper application the prudential framework set out by Regulation (EU) No 575/2013. In particular, it is important for determining the regulatory perimeter of consolidation and the compliance with the obligations laid down in Regulation (EU) No 575/2013 on a consolidated basis in accordance with Articles 11 and 18 of that Regulation, the application of the deduction regime for financial sector entities and for the credit risk framework.

In the absence of clear guidelines, harmonisation of practices across Member States may not be achieved. In such a scenario, institutions, financial holding companies, and mixed financial holding companies may apply their own criteria or rely on those established by their respective competent authorities, when provided. This could lead to an inconsistent application of the general prudential requirements under Regulation (EU) No 575/2013 which, as a result, may undermine the effective supervision by competent authorities, and lead to an unlevel playing field within the Union.

## D. Options considered, Cost-Benefit Analysis and Preferred option

In drafting these draft guidelines several policy options were considered with regard to different dimensions to be addressed when specifying the criteria for the identification of activities referred to in Article 4(1)(18) of Regulation (EU) No 575/2013.

### Direct extension of banking under Article 4(1)(18)(a) of Regulation (EU) No 575/2013

Policy issue 1: Defining the criteria for the identification of activities which qualify as a direct extension of banking

**Option 1.a:** Providing an exhaustive list of activities to be considered as a ‘direct extension of banking’.

**Option 1.b:** Providing criteria to identify activities that should fall within the ‘direct extension of banking’ complemented by examples of activities that meet these criteria.

While providing a detailed and exhaustive list of activities was considered to promote consistency and greater convergence across Member States in identifying ASUs, it was acknowledged that this approach might not be operationally feasible. This is primarily due to the wide variety and evolving nature of activities undertaken within banking groups, which make it challenging to comprehensively capture all relevant business models within a static list. Moreover, this approach may fail to fully reflect the range of risks to which a banking group is exposed at consolidated level and may not ensure that all the relevant undertakings are considered as financial sector entities. Finally, it was also noted that the mandate of Regulation (EU) No 575/2013 specifically requires the EBA to specify the ‘*criteria*’ – rather than provide a predefined list – for identifying activities relevant to the definition of ASU.

For these reasons, specifying relevant criteria may allow for sufficient flexibility to identify the activities to be considered a direct extension of banking, while accommodating the diversity of business models and ensuring alignment with the mandate. Furthermore, it was considered that, under a criteria-based approach, the guidelines could provide examples of activities that typically meet these criteria. This would support institutions, financial holding companies, and mixed financial holding companies in the application of the definition, thereby reducing uncertainty and easing the compliance burden.

In light of this assessment, the **preferred policy option** is to provide criteria to identify activities that constitute a ‘direct extension of banking’ complemented by examples of activities that meet these criteria (**Option 1.b**).

Policy issue 2: Relevance of the inclusion of the undertaking in a banking group for the qualification as ‘direct extension of banking’

**Option 2.a:** Qualification of an activity as a ‘direct extension of banking’ not limited to those performed by undertakings being part of a banking group.

**Option 2.b:** Limit the qualification of an activity as a ‘direct extension of banking’ to those performed by undertakings being part of a banking group.

For assessing this policy issue, due considerations have been given to the impacts which might arise from the qualification of an activity as a direct extension of banking.

With the changes introduced by Regulation (EU) 2024/1623, the implications of qualifying an undertaking as ASU extend beyond the scope of prudential consolidation. The designation now also impacts, for example, the deduction regime for FSE<sup>9</sup> and the credit risk framework. This because, under the new amendments, ASUs are directly classified as financial institutions and therefore qualify as FSE, unlike the previous regime, where only those ASUs included in the perimeter of prudential consolidation of an institution were considered FSE.

Nonetheless, the wording of Article 4(1)(18)(a) of Regulation (EU) No 575/2013 refers to activities considered a direct extension of banking without requiring them to be ‘ancillary to banking’ as done under point (b) of that Article. For this reason, the criteria for identifying such activities should apply to all types of undertakings – regardless of the existence of a link or capital tie with a banking group – as the activities should be assessed based on their intrinsic financial nature. As such, the assessment is intended to be broad in scope and should encompass any undertaking engaging in financial activities, irrespective of a direct ownership link or capital tie with a banking group.

This approach also ensures a consistent treatment of the undertakings whose principal activity constitutes a direct extension of banking across the different parts of the prudential framework. This consistency is important because of the implications of qualifying undertakings as FSE, mentioned above.

Based on the above, **Option 2.a has been chosen as the preferred option.** This approach ensures that the intrinsic financial nature of the activities is appropriately considered and that undertakings performing such activities are treated consistently across different parts of the prudential framework – a consistency that would not be guaranteed under the narrower approach envisaged in Option 2.b.

#### Ancillary to banking under Article 4(1)(18)(b) of Regulation (EU) No 575/2013

Policy issue 3: Defining the criteria for the identification of activities which qualify as ancillary to banking

**Option 3.a:** Providing a set of different criteria tailored to each activity listed in Article 4(1)(18)(b) of Regulation (EU) No 575/2013 and for any other activity not specifically listed in the same Article.

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<sup>9</sup> In accordance with points (h) and (i) of Article 36(1) of Regulation (EU) No 575/2013, significant or not significant investments in FSE shall be deducted from CET1 instruments in accordance with Articles 45 and 46 of Regulation (EU) No 575/2013.

**Option 3.b:** Providing general criteria valid for any activity and some specifications for the activities specifically listed in Article 4(1)(18)(b) of Regulation (EU) No 575/2013.

For assessing this policy issue, it was considered that the primary purpose of providing the criteria for the identification of activities as ancillary to banking is to specify under which conditions an activity would clearly signal the existence of a relevant link or connection with banking. In fact, with the amended version of the ASU definition, more emphasis has been given to the relation of the activity with banking and not to the relation with the principal activity of an institution, as previously done.

Providing specific criteria tailored to each of the activities explicitly listed in Article 4(1)(18)(b) of Regulation (EU) No 575/2013 (i.e. operational leasing, the ownership or management of property, the provision of data processing services) as well as for any other activity, would have significantly increased the complexity and burden for the addressees of these guidelines. This approach would have required institutions and competent authorities to assess the criteria against any activity that should be considered as ancillary to banking, while the potential benefits of such granular approach are not sufficiently clear.

Against this background, it was considered more effective to establish a set of general criteria applicable to any type of activity, for assessing the existence of a link or connection with banking. For the activities explicitly listed, these general criteria could be complemented with specific clarifications, to better support institutions and competent authorities in performing the assessment to those particular cases. Overall, this approach would promote clarity and consistency in application, while also contributing to reduce the compliance burden and implementation costs associated with these guidelines.

For the reasons above, **Option 3.b has been chosen as the preferred option** as it ensures a more proportionate and consistent framework for the identification of the activities to be considered as ancillary to banking, facilitating implementation and reducing unnecessary complexity and compliance costs.

Policy issue 4: Relevance of the inclusion of the undertaking in the banking group for the qualification as ‘ancillary to banking’

**Option 4.a:** Qualification of an activity as ‘ancillary to banking’ not limited to those performed by undertakings being part of the banking group.

**Option 4.b:** Limit the qualification of an activity as ‘ancillary to banking’ to those performed by undertakings being part of the banking group.

For assessing this policy issue, due considerations were given to the impacts which might arise from the qualification of an activity listed in Article 4(1)(18)(b) of Regulation (EU) No 575/2013 as ‘ancillary to banking’.

With the changes introduced by Regulation (EU) 2024/1923, the implications of qualifying an undertaking as an ASU extend beyond the scope of prudential consolidation, as it also has an impact, for example, on the deduction regime for FSE and the credit risk framework. This is because, under the amended provisions, ASUs are directly considered financial institutions and therefore FSEs – differently from the past where the qualification as FSE was limited only to those ASUs included in the perimeter of prudential consolidation of an institution.

The amended ASU definition introduces a specific test to determine when the activities listed in point (b) of Article 4(1)(18) of Regulation (EU) No 575/2013, or any other activity, should be considered ancillary to banking ('ancillary test'). In practice, this implies that it is not the activity itself which determines whether an undertaking qualifies as an ASU, but rather the existence of a significant link or connection to banking.

In this regard, such a link or connection could be identified by applying the general criteria set out in these guidelines. Nonetheless, it was also noted that applying these general criteria could lead to the qualification of any undertaking as an ASU – such as those relying on banking funding – even in the absence of any capital connection with a banking group. This could result in a broad range of undertakings that despite operating outside of a banking group are classified as ASUs, and consequently as financial institutions and FSEs, due to the potential relevance of the criteria provided to assess their link or connection to banking. Such a broad application could have unintended consequences – particularly, in relation to the FSE deduction regime and for the credit risk framework.

Given these considerations, it was assessed that an activity should only be considered to have a significant link or connection with banking when it is performed by an undertaking that is part of a banking group. Only in such cases can the activity be understood as supporting, complementing or relying on banking, and therefore be deemed ancillary to the banking activities carried out by institutions or financial institutions of that banking group.

Moreover, to ensure an effective application of this provision, the assessment need to be a restricted to those undertakings that are part of the banking group of the institution applying these guidelines. This would ensure that the scope of the assessment remains limited to parent undertakings, subsidiaries and joint arrangements of the group, along with other cases referred to in the guidelines. Conversely, the classification as ASU of undertakings within other banking groups would be also adequately addressed, given that the guidelines specify that an ASU included in the consolidated situation of one institution should also be considered an ASU for any other undertaking.

It was concluded that limiting the application of the general criteria to undertakings being part of the banking group would therefore still effectively capture within the prudential perimeter of consolidations those that may pose risks to the banking group, while avoiding distortions in other areas of the regulatory framework.



Based on the above, **Option 4.b has been chosen as the preferred option** as it ensures to duly consider only undertakings which have a significant link or connection with the banking group, while avoiding the unintended consequences that would arise in case of the broader approach as envisaged in Option 4.a.

#### Other similar activities under Article 4(1)(18)(c) of Regulation (EU) No 575/2013

**Option 5.a:** Specifying concrete criteria for the identification of activities that are similar to those referred to in points (a) and (b)

**Option 5.b:** Determining a process to be followed for the identification of activities that are similar to those referred to in points (a) and (b)

One of the key objectives of the amended definition of ASUs is to introduce greater flexibility into supervisory approaches, enabling competent authorities to better address emerging sources of risk and to capture activities that may not fully meet the criteria set out for the categories referred to in points (a) and (b) of Article 4(1)(18) of Regulation (EU) No 575/2013.

In this context, providing a set of criteria or a predefined list of activities could, in principle, enhance predictability and legal certainty. However, this approach was ultimately deemed operationally impracticable. In particular, the feasibility of developing additional criteria or lists beyond those already established for identifying activities as either a direct extension of banking or ancillary to banking was considered limited – especially given that these two categories are expected to already capture most of the relevant activities for identifying ASUs.

Moreover, such a static approach would lack the necessary flexibility to reflect technological innovation and the evolving nature of banking business models, which may give rise to new activities not easily classifiable in advance. As such, a rigid approach may risk becoming quickly outdated, which could undermine the objective of a forward-looking and proportionate supervisory framework.

Given these considerations, a principle-based, case-by-case approach was assessed as more appropriate. This approach would enable the EBA to specify, when necessary, additional activities to be included within the scope of ASUs. Furthermore, it would allow competent authorities to identify activities that should be considered similar and submit them to the EBA for assessment, thereby ensuring that supervisory convergence and a harmonised application across Member States is preserved.

In light of the above, **Option 5.b is considered the preferred policy option** as it strikes an appropriate balance between legal certainty and flexibility, while establishing a structured process to ensure consistent and convergent supervisory practices across Member States.

## 5.2 Overview of questions for consultation

1. Do you have any comments on the general provisions set out in Section 4.1?
2. Do you agree with the criteria specified for identifying an activity as a ‘direct extension of banking’? Do you believe that other criteria should be included to identify activities that should fall under this definition? If yes, please provide detailed proposals.
3. Do you have any comments on the use of activities that are fundamental to the value chain of core banking services as a criterion for identifying activities that are a ‘direct extension of banking’? In particular, do you find the definition of and link to core banking services, and the related list of activities sufficiently clear?
4. Do you consider appropriate the inclusion of services and activities that involve maturity transformation, liquidity transformation, leverage or credit risk transfer – when conducted by shadow banking entities – as one of the criteria for identifying activities that are a ‘direct extension of banking’?
5. Do you consider appropriate the inclusion of ‘other activities related to lending’ as one of the criteria to identify activities that are a ‘direct extension of banking’? Do you consider undertakings that perform one of these activities as their principal activity already qualifying as financial institutions within the meaning of Article 4(1)(26) of Regulation (EU) No 575/2013?
6. Do you agree with the proposed criteria for identifying activities that are ‘ancillary to banking’? Are the three main criteria specified for that purpose (i.e. support, complement and rely on banking) sufficiently clear? Are there any other criteria that should be included in that regard?
7. Do you agree with the approach envisaged in Section 4.3, which limits the assessment of an activity as ‘ancillary to banking’ only to undertakings that may have to be included in the scope of prudential consolidation or are collectively held by institutions belonging to the same IPS?
8. Do you have any comments on concept of ‘banking’ specified in Section 4.3, which includes all relevant services or activities provided by institutions or financial institutions?
9. Do you have any comments on the specifications provided for the activities explicitly referred to in Article 4(1)(18)(b) of Regulation (EU) No 575/2013? In particular, are the illustrative examples provided therein adequately defined?
10. Do you have any comments on the process envisaged for the determination of activities to be considered similar to points (a) and (b) under Article 4(1)(18)(c) of Regulation (EU) No 575/2013?

11. Do you have any comments on the clarification of the principal activity of an ASU? Do you consider the definition of this concept useful for the application of Article 4(1)(18) of Regulation (EU) No 575/2013?
12. In general, is there any other activity or criteria not explicitly mentioned in these guidelines that should be considered to identify activities as either a 'direct extension of banking' or 'ancillary to banking'?