

Brussels, 27 March 2020
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Ms Silke STAPEL-WEBER

Director General
Directorate General Statistics
European Central Bank
Email: [REDACTED]

Mr Piers HABEN

Director
Banking Markets, Innovation and Consumers
European Banking Authority
Email: [REDACTED]

SUBJECT: EBF assessment of reporting requirements in light of COVID-19

Dear Ms Stapel-Weber,

Dear Mr Haben,

In the course of the global COVID-19 pandemic, its effects are being felt in every nation and every industry. While banks are taking all possible measures to weather the impact of the COVID-19 crisis, a close interaction with authorities is vital to be truly effective.

In a previous letter to the EU authorities, the EBF suggested various important proposals to neutralize the effects of the COVID-19 on the economy which were swiftly followed by very encouraging statements by the EBA¹ and the ECB² including references to the area of supervisory reporting and suggesting the possibility to have flexibility for non-critical supervisory measures and data requests.

It is in this context that we have performed an assessment of the banks' reporting requirements identifying those where leeway in the remittance dates or implementation and completeness of the data submitted would be greatly welcomed by the industry since there is a risk that deadlines may not be met because of potential operational burdens during the coming weeks/months. On the one hand, some reports rely on a macro-economic scenario that under current circumstances both industry and authorities cannot accurately foresee, resulting in the most appropriate alternative to wait until the impact of the COVID-19 on the economy is properly measured. On the other hand, the massive teleworking efforts, never previously tested at this scale in a real situation, of the banks' reporting teams imply some work absences due to the disease. The significant difficulties for the teams that are developing the new templates result in a slowdown of the project.

At present, it is not possible to predict whether firms will have problems submitting reports on time. Should this be the case, however, it would be very helpful if supervisors were to

¹ See annex, <https://eba.europa.eu/eba-statement-actions-mitigate-impact-covid-19-eu-banking-sector>

² See annex, <https://www.bankingsupervision.europa.eu/press/pr/date/2020/html/ssm.pr200312~43351ac3ac.en.html>

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accept some minor delays and late submissions of reports and refrain from allowing them to have a negative effect on their standardised assessment of punctuality, completeness, and number of correction reports (DQ index for SREP).

Lastly, existing requirements should, in principle, be retained in their present form for the time being and no adjustments or new requirements should be introduced.

As such, we share below the outcome of our review:

DPM 2.9 - FUNDING PLAN (EBA and NCBs)

- **Deadline:** Data Point Model 2.9 entry into force in March 2020.
- **Suggested measure:** Postponement of entry into force dates. Possibly in next year submission.

DPM 2.9 – FINREP (EBA and NCBs)

- **Deadline:** Data Point Model 2.9 first reference date June 2020 and first submission 11 August 2020.
- **Suggested measure:** Postponement of entry into force dates. The very earliest at least September 2020 but better until December 2020.

DPM 2.9 – LCR (EBA and NCBs)

- **Deadline:** Data Point Model 2.9 entry into force in April 2020.
- **Suggested measure:** Postponement for submission to 15 July (reference end June) instead of 15 May (reference end April).

DPM 2.9 – COREP Data Point Model 2.9 (EBA and NCBs)

- **Deadline:** Entry into force in March 2020.
- **Problematic:** First submission usually generated unexpected difficulties.
- **Suggested measure:** Submission 10 June for first submission of this template.

GL Loan Origination and monitoring (EBA)

- **Deadline:** Final regulation was expected for March with entry into force in June. A delay was noted (before the coronavirus outbreak) without details if it will be published in June with entry into force in September.
- **Suggested measure:** Postponement until, at least, June 2021.

Supervisory Benchmarking Portfolios (SBP) 2019 Credit (EBA and NCBs)

- **Deadline:** Submission date 10 April 2020.
- **Suggested measure:** Submission to be postponed to 10 June 2020 since we consider this not essential for calculation of credit risk.

Sensitivity Analysis on Climate Change (EBA)

- **Deadline:** Launch.
- **Suggested measure:** Postponement same as ST EBA.

FRTB reporting requirement (EBA/NCBs)

- **Deadline:** Premature reporting requirement without capital effects.
- **Suggested measure:** Skipping/pausing the premature reporting requirement.

EBA Funding Plans (EBA)

- **Deadline:** Adjustments to EBA funding plans as of 31 Dec 2020.
- **Suggested measure:** Skipping/postponement of adjustments.

Pillar III disclosures as of 31 March 2020 (EBA)

- **Suggested measure:** To postpone.

Reserved statements (NCAs)

- **Deadline:** Quarterly submission in D+20.
- **Suggested measure:** The regular submission calendar is D+20 to be modified so that the submission date becomes the start of a grant of 20 business days i.e. extend the submission deadline until 29 May.

AnaCredit reports as per ECB Regulation 2016/13 (ECB and NCBs)

- **Deadline:** Monthly and quarterly.
- **Suggested measure:** Cancellation of the monthly reports until 30 September 2020. The next monthly report submitted would be the report as at 31 October 2020.

Supervision framework, Financial framework (including FINREP, COREP, LCR, NSFR, ALMM, NPE regular data collection exercise and quarterly STE (Credit Risk, Concentration Risk, etc)) (ECB and NCBs)

- **Deadline:** Submissions with closing date February 2020 and subsequent monthly submission after March e.g. reference date end of April.
- **Suggested measure:** The regular submission dates D+10, D+20, D+40, etc, to be modified so that the submission date becomes the start of a grant of 10 business days i.e. D+40 becomes D+50 .

Supervision framework, Financial framework (including FINREP, COREP, LCR, NSFR, ALMM, NPE regular data collection exercise and quarterly STE (Credit Risk, Concentration Risk, etc)) (ECB and NCBs)

- **Deadline:** Quarterly submission.
- **Suggested measure:** The regular submission dates D+10, D+20, D+40, etc, to be modified so that the submission date becomes the start of a grant of 20 business days (for quarterly submission i.e. D+40 becomes D+60).

STE NPE (Backstops) (ECB)

- **Deadline:** Annual petition. First submission in May 2020.
- **Suggested measure:** Required for December 2020. Suggestion to eliminate the submission with December 2019 data.

STE ICAAP/ILAAP (ECB)

- **Deadline:** To be submitted in April 20 and goes in line with ICAAP/ILAAP.
- **Suggested measure:** Subject to measures to be adopted in the exercise of ICAAP/ILAAP.

STE Pension Risk (ECB)

- **Deadline:** To be submitted on 20 April.
- **Suggested measure:** Temporal delay.

FSB-1 (ECB)

- **Deadline:** Weekly reporting for group level at TOP 50 (loans, derivatives, equity). To BIS' financial stability board. Only mandatory for GSIB.
- **Suggested measure:** Eliminate reporting while in crisis.

FSB-2 (ECB)

- **Deadline:** Monthly reporting at group level with TOP of funding concentration (TA) and counterbalancing capacity (TB).
- **Suggested measure:** Eliminate reporting while in crisis.

Amendments to MFI Balance Sheet Statistics (ECB)

- **Deadline:** ECB consultation on amendments just finished; entry into force planned for Q2/2021.
- **Suggested measure:** Postponement of the amended requirements at least until 2022.

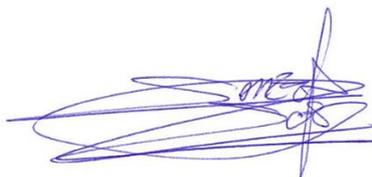
Measures to improve data quality (ECB and NCBs)

- **Deadline:** ECB communicated additional measures to improve data quality and to implement further controls.
- **Suggested measure:** Postponement of the amended requirements at least until 2021.

We commend the stance taken by authorities towards opening the possibility to adjust timetables, processes and deadlines, and sincerely hope specific measures in this context take into account the considerations set out in this letter.

We remain at your disposal to provide clarification or further details you may need for your analysis and due process on the above views.

Yours sincerely,



Gonzalo Gasós

Senior Director of Prudential Policy & Supervision