

## EBF RESPONSE TO THE EBA DISCUSSION PAPER ON THE FEASIBILITY STUDY OF AN INTEGRATED REPORTING SYSTEM UNDER ARTICLE 430C CRR

### Key points:

#### ◆ EBF PILLARS FOR INTEGRATED REPORTING

Over the last years, the European Banking Federation (EBF) has been repeatedly calling for the need to work towards an integrated and standardised EU framework for regulatory reporting. The EBF has clearly presented its views on how such system should work and called regulators and supervisors to work together with the industry in order to make it as efficient and as clear as possible, so that the right data gets to the right people at the right time while reducing the burden for the industry. The EBF has further specified key steps for an integrated data reporting by formulating four guiding principles, as the pillars for an efficient integrated framework, that by now have been supported by relevant authorities i.e. EC, EBA and ESCB.

- **Define Once:** using a single data dictionary with all the data definitions.
- **Report Once:** enhancing reusability and interoperability of the data.
- **Share Information:** amongst the authorities instead of asking several times for data that has been already provided.
- **Enhanced Governance:** including the advice of the industry as the main stakeholder in every new data request.

#### ◆ GOVERNANCE

The banking industry is keen to work with authorities offering valuable experts and expertise in view of reporting aiming to jointly design the future of this matter. Therefore, any governing body, interim or permanent, should have the involvement of the reporting institutions ensuring the new system is feasible for both, authorities and industry. It is crucial, for the success of the project, that, for example,

European Banking Federation aisbl

Brussels / Avenue des Arts 56, 1000 Brussels, Belgium / +32 2 508 3711 / info@ebf.eu  
Frankfurt / Weißfrauenstraße 12-16, 60311 Frankfurt, Germany  
EU Transparency Register / ID number: 4722660838-23

discussions and collaboration take place during the early stages of assessing reporting requirements and in designing of new reporting requirements and processes.

It is also crucial for the future of the project that a governance is established with promptness to start steering the main aspects of the integrated reporting system as otherwise this would only mean further delays and jeopardize its future.

#### ◆ DATA DICTIONARY

The European banking industry, through the EBF, has supported the creation of a single EU data reporting dictionary as the cornerstone of an integrated and standardised EU framework that can contribute to a better supervision and support financial stability by enabling improved data quality and reducing the reporting burden for financial institutions.

It is about improving efficiency and consistency, about avoiding duplication, and about avoiding unnecessary complexity. Delivering this single dictionary requires a pragmatic approach and close cooperation between all financial supervisors and the banking industry.

A common data dictionary is a pre-condition before starting discussion in other important aspects of the integrated reporting project. Building up such a data dictionary should have as pre-requisite the alignment of the three layers: semantic definition (business content or business glossary), the syntactic definition (Metadata Model and Logical Data Model) and the infrastructure or physical level (Database, etc.); decoupling the business glossary from the syntactic and the database would misalign the three main units that must collaborate in the reporting process: the regulatory reporting experts, the data ones, and the IT units.

#### ◆ COST SHARING

An integrated reporting system is a very ambitious but indispensable and unpostponable project. The banking industry is aware such a significant project will demand substantial human and financial resources. The industry is prepared to bear necessary internal costs to make the changes into its internal systems to embrace the integrated reporting as we consider that it is the right approach to streamline all the requests and reduce the burden.

#### ◆ MOVING TOWARDS MORE GRANULARITY

We consider that both, the Competent Authorities (CAs), at EU and national level, and the industry have to assess not the pros and cons of granularity, but how far we go granular to reach most of the advantages of such transition from a reporting based on templates towards a data-driven reporting without making the change unfeasible and unmaintainable.

A stepwise design of the transition to the data driven approach from the current template driven approach is a key matter to avoid a high-cost rework that could be the consequence of a poorly designed or hasty race for granularity. If, for example, existing template frameworks are not withdrawn at least partially or gold plating is still allowed, it will be harder for banks to comply with other legislation and the

report once principle will be compromised. Furthermore, the costs will exceed benefits and, therefore, it would not be worth implementing this new integrated reporting framework.

◆ NEED FOR CONCRETE ACTIONS

We consider the process towards having this Discussion Paper has taken too long for which we consider it is crucial to be as of now more operational to make the project finally start and move forward. While we appreciate there may be limits on what the EBA final report may provide to the European Commission, we strongly encourage the EBA and all relevant authorities to understand the need to start discussing it in practical terms.

To this end, we strongly advise not only establishing as soon as possible the Joint Committee, or an interim body in the meantime, to steer the main aspects of the new system but we also encourage that high consideration should be given to use a qualified third party e.g. consulting firm with proven experience in developing regulatory reporting solutions. We are convinced the latter would substantially speed the process up. Having a qualified party playing the role of facilitator, especially on the technical aspects, would give a significant and needed boost for such complex project, with involvement of many stakeholders, to become more concrete and realistic. Otherwise, there is the risk the slow progress jeopardizes the future of the project.

◆ NEED FOR LONG-TERM SCENARIO

While the Discussion Paper provides a thorough analysis of the current set up with the aim to conclude in the final report whether an integrated reporting system is feasible or not, it is highly missed in the discussion a long-term timeline to help understand better the perspective of what the final goal of the initiative will be, but also the necessary stepwise approach, for example, in the next 5 to 10 years. For sectors of the industry, it has been difficult to assess the impact of the proposal due to its complexity. Having such a long-term scenario would help to understand better the impact to current reporting issues, how to solve them in a timely manner and, accordingly, the long-term benefits of the proposal.

\*\*\*

### **About EBF**

The European Banking Federation is the voice of the European banking sector, bringing together national banking associations from across Europe. The federation is committed to a thriving European economy that is underpinned by a stable, secure and inclusive financial ecosystem, and to a flourishing society where financing is available to fund the dreams of citizens, businesses and innovators everywhere.

[www.ebf.eu](http://www.ebf.eu) @EBFeu

For more information contact:

**Francisco Saravia**

Senior Policy Adviser

Prudential Policy and Supervision

[f.saravia@ebf.eu](mailto:f.saravia@ebf.eu)

+32 2 508 37 32