

EBA – Discussion Paper – On a Feasibility Study of an Integrated Reporting System under Article 430c CRR

Background

Article 430c of the Capital Requirements Regulation (CRR) mandates the EBA to prepare a feasibility study for the development of a consistent and integrated system for collecting statistical, resolution and prudential data, as well as to involve relevant authorities in the preparation of the study

The EBA Discussion Paper on the feasibility study is a first step on the road to an integrated reporting system and will provide input for initiatives developed by the European Commission aiming to increase efficiency of the reporting process for authorities and institutions alike, and influence the evolution of the reporting landscape.

An integrated reporting system represents a way of organising the reporting process with the aim of streamlining and improving reporting for both financial institutions and public authorities - prudential, resolution and central banks- and enhancing cooperation between public authorities. There are three main building blocks of the integrated reporting system: (i) the adoption of a common language - common data dictionary for defining reporting requirements, so that institutions are able to report once to all types of authorities, (ii) a common collection system which would facilitate data sharing among authorities through a Central data collection point following the “report once principle and (iii) enhancing the governance of the reporting process by increasing coordination among authorities.

The overall objective of the study is to identify the feasibility of various ways to streamline the reporting process and increase efficiency going forward. The report should be neutral in regard to both the options and to the institutional set-up and simply identify the various options and the feasibility thereof. It is important that the report does not draw conclusions or make proposals.

The assessment covers the four core areas, the stocktake on the quantity and scope of the current data collection, and the three building blocks identified above: a data dictionary, a central data collection point together with related governance aspects.

BSG response

The BSG welcomes the opportunity to comment on the proposed discussion paper, congratulates the EBA on the work done and encourages European authorities to progress in this arena which would, in turn, contribute to a fully-fledged Banking Union.

The BSG fully shares the diagnosis of the EBA when stating that the current EU reporting landscape consists of a large share of different European reporting frameworks for prudential supervisors, resolution authorities and central banks' statistics. These frameworks coexist with many different national and ad-hoc data requests for different purposes and set up by different authorities, which leads to inefficiencies in the process.

The BSG understands the costs of overtaking this project but considers that benefits outweigh the costs. There are clear benefits such as reusability, efficiency gains, increased understanding of reporting processes, included in the document but there are also other benefits related to the common understanding across authorities which in turn would contribute to an the Banking Union which cannot be underestimated.

The BSG understands also that the deployment of the integrated reporting would be difficult and that many resources would be devoted but there would result in efficiency gains and cost savings both for financial institutions and authorities in the medium to long term.

Related to the common dictionary, the BSG supports the design following the "define once principle" and acknowledges the difficulty of the endeavour as long as it requires the alignment of regulatory definitions.

Finally, and related to the Central Data Collection Point and the Governance, the BSG welcomes the inclusion of key stakeholders' perspectives and acknowledges the effort that should be made to successfully accomplish these two goals.

To wrap up, BSG welcomes the work done by the EBA and encourages progress on the matter to rely on integrated reporting sooner than later.

We would just like to point that the title of the project might be a bit misleading: "integrated reporting" is a term used by the International Integrated Reporting Council for a framework of enhanced reporting (<https://integratedreporting.org/>), which currently is gaining more interest and it covers completely different issue than the EBA paper. Therefore we suggest clarifying the title of the EBA initiative (e.g, "Integrated supervisory data reporting").