



The EBA study on the cost of compliance with supervisory reporting requirements

Introduction to the online questionnaire

July 2020

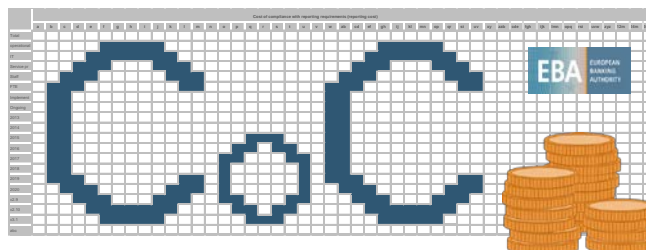
Addressees, purpose and nature of the questionnaire

The questionnaire is addressed to **all credit institutions**

The questionnaire is the **most important of source of information** for the study

... and **not just** small and non-complex ones. Reporting cost are relevant for all institutions.*

... as it is the only source of **standardised and comparable information** about institutions' view on reporting requirements.



Participation is **voluntary, but strongly encouraged**

Information should refer to **a specific institution**

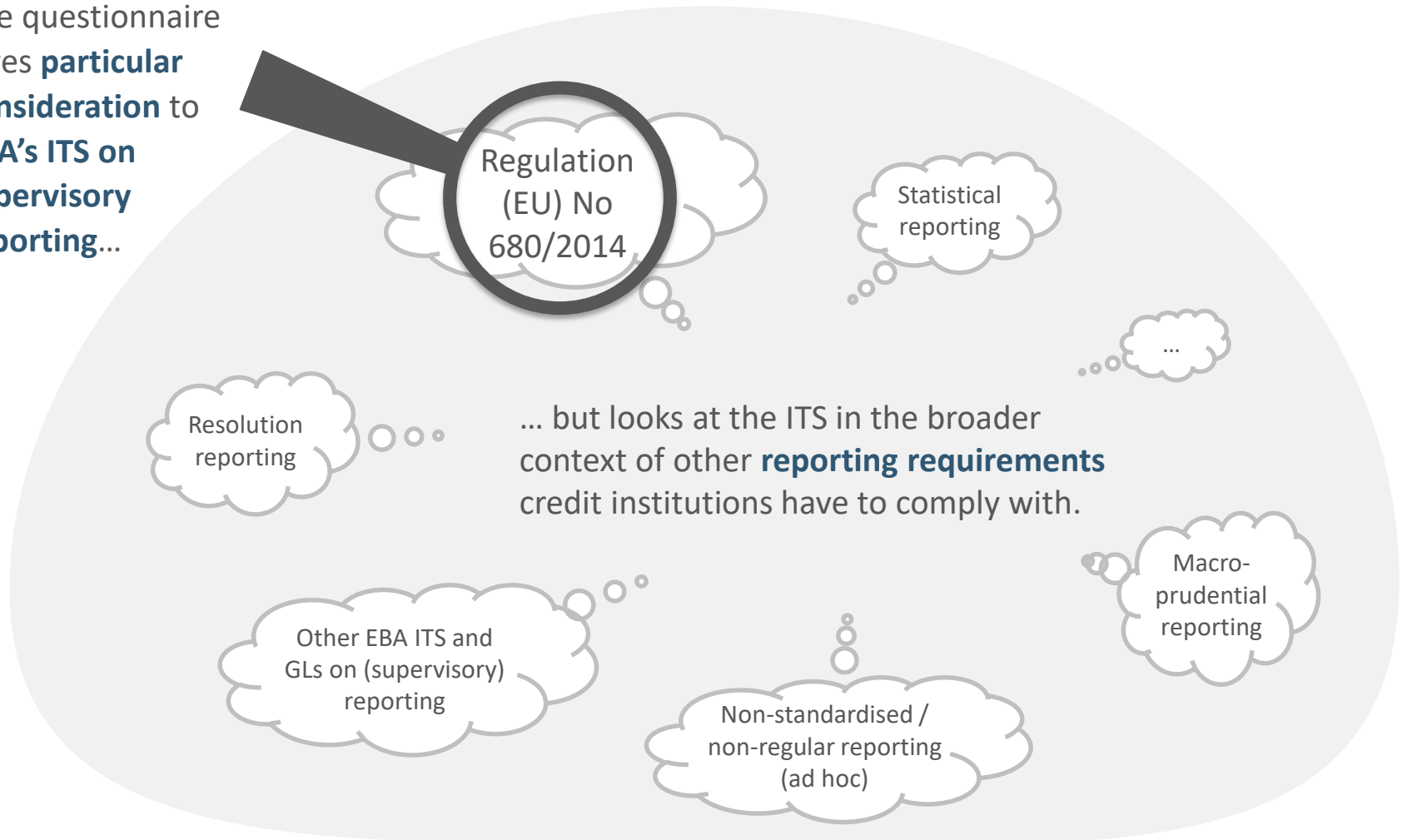
... in the interest of a **fair representation** of the banking industries' views on costs and means to reduce them.

... as anecdotal evidence suggests that **costs and views may vary significantly** across institutions.*

* The questionnaire can be answered by credit institutions themselves, but also by third parties (such as central service providers) on behalf of credit institutions, but the answers should reflect the situation at and views of a specific institution (i.e. no responses for an 'average bank' should be given).

Scope of the questionnaire

The questionnaire gives **particular consideration** to **EBA's ITS on supervisory reporting...**



The structure of the questionnaire

The structure of the questionnaire follows the mandate of Article 430 (8) CRR.

- A** Quantitative information on the cost of compliance
- B** Qualitative information on the cost of compliance
- C** The benefits of reporting requirements
- D** Ways to achieve proportionality
- E** Expected cost reduction for specific measures
- F** IT solutions and Data Management processes and procedures

The questionnaire starts with questions about **the cost of compliance** with reporting requirements in Sections A and B.

Deadline for responses: 31 October 2020 for Section A and 1 October for Section B

Then it asks for information about the **benefits of reporting** for institutions in Section C.

Deadline for responses: 1 October 2020

Sections D and E look into possible **ways to reduce the cost and make the reporting more proportionate**.

Deadline for responses: 1 October 2020

Section F aims looks into **IT solutions and processes** implemented for reporting in more detail, for example to understand if and how EBA's products could become more tech-friendly.

Deadline for responses: 1 October 2020

The cost of compliance with reporting requirements

A

Quantitative information on the cost of compliance

The first section aims to collect **quantitative information on the cost** – as absolute amounts or as percentage of a specific type of cost.

For this purpose, it is important to **separate the reporting cost** as much as possible from the overall cost of compliance with regulatory requirements.

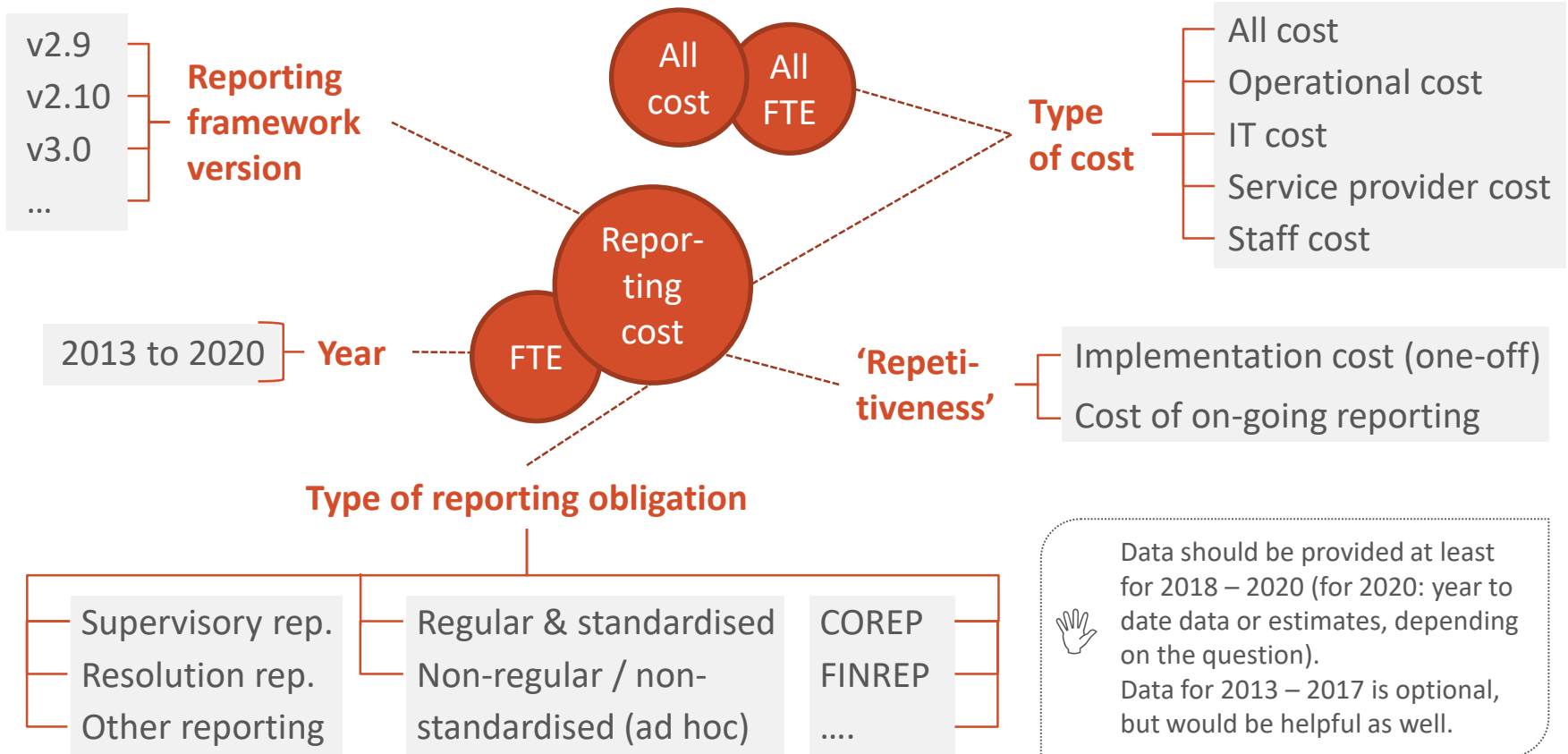


The cost of compliance with reporting requirements

A

Quantitative information on the cost of compliance

The cost shall be **broken down** according to different criteria.



The cost of compliance with reporting requirements


B Qualitative information on the cost of compliance


... the **cost drivers** behind the reporting cost

... **particularly costly reporting requirements** of the ITS on Supervisory Reporting



... the **distribution of the cost across the phases** of the reporting process (understand – prepare – submit)

 You have the opportunity to **explain your answers** to the multiple choice questions, if you wish (in English) – this is also the case in all the following sections.

 You can answer **'not applicable'**, for example if the reporting requirement in question does not apply to you or you do not use the DPM or XBRL taxonomy – **but please use this option as little as possible.**

The benefits of reporting

C

The benefits of reporting requirements

The benefits of reporting are expected to be **concentrated on the side of the authorities** and bodies **that impose the reporting obligation** and receive the data.

But there may be benefits for institutions as well.



What are the benefits for institutions?

Could, for example, more granular reporting have the **benefit of facilitating or simplifying compliance?**

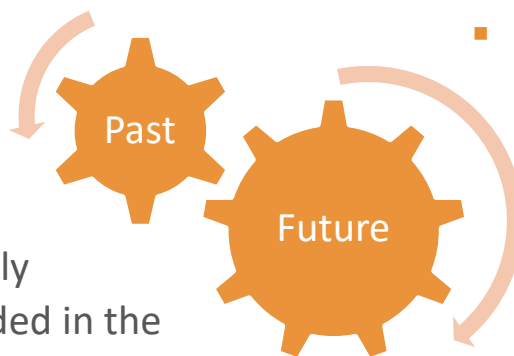
- Assessment is done on the basis of statements on potential benefits that can be **agreed or disagreed with**
- There is an option to **explain further benefits** you see or point out the features of the reporting framework that should be further developed

Investigating measures to reduce the cost

D Ways to achieve proportionality

This section takes a closer look at the **proportionality measures** and the **approach to proportionality** that has been applied so far and tries to understand **how effective** they were.

Only elements of proportionality directly and explicitly embedded in the ITS on supervisory reporting are considered.



E Expected cost reduction for specific measures

Section E looks into **a first set of measures** that could reduce the reporting cost in the future, including, but not limited to...

- Exempting certain institutions from asset encumbrance reporting
 - Reducing the frequency of reporting
 - Integrating reporting and disclosure requirements.

You are asked to **assess the expected reduction in reporting cost** (or other cost) **in percent** and can **propose** up to three **measures of your own**.

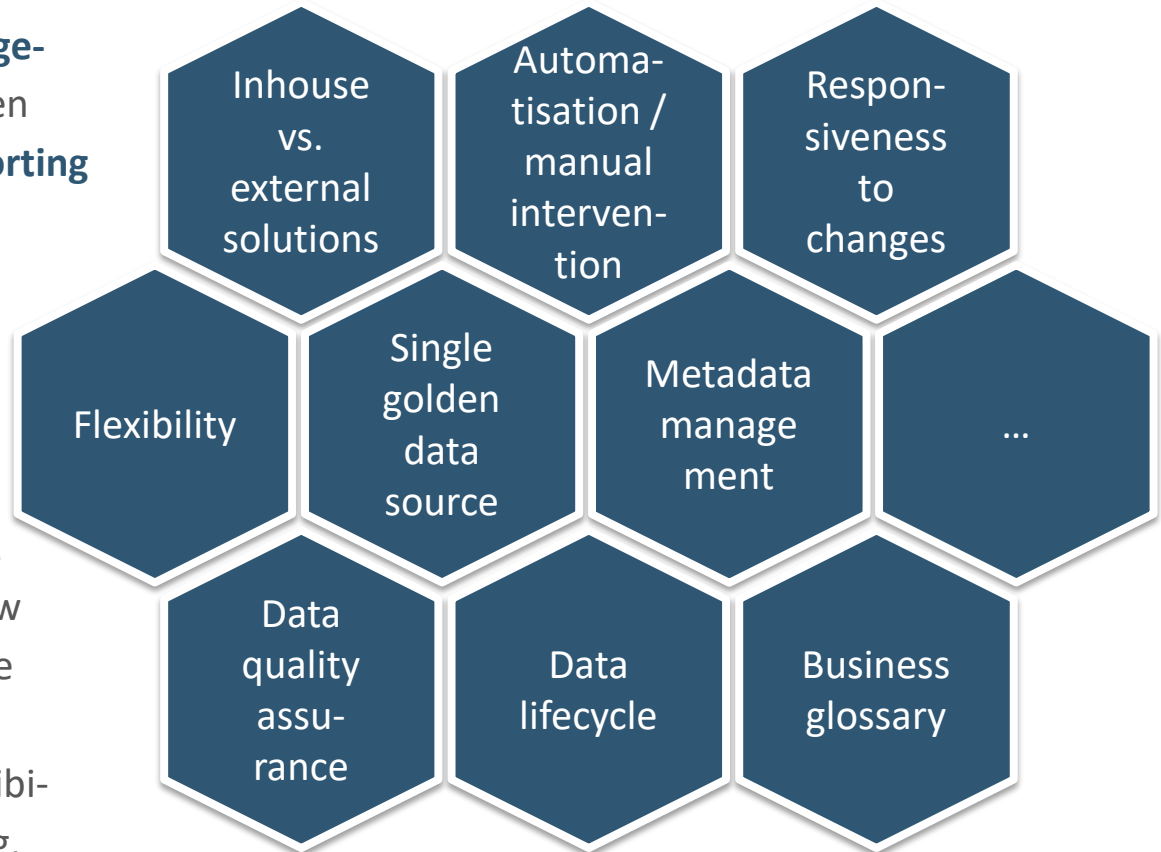
The expected cost reduction will be compared to the benefits in order to make recommendations in the final report.

IT solutions and data management processes

F IT solutions and Data Management processes and procedures

The **IT solutions and data management processes** put in place often have a major impact on the **reporting cost and the cost of responding to changes**.

The questions in this section aim to better understand the design of IT solutions and processes put in place for reporting, in order to understand if and how EBA’s products can become more tech-friendly to save costs. This section will also benefit the feasibility study on integrated reporting.



Acknowledgements

We understand that answering the questionnaire may involve some effort. The participation in the survey is VOLUNTARY and you should answer the questions as you see fit. Reporting is a complex issue – therefore we need a number of questions to cover the ground.

The information gathered via the questionnaire is vital to help us to understand better **what the EBA could do** to mitigate the reporting cost in the short-, medium- or long-term.

The EBA will not be able to address all the issues you raise in your responses. Some solutions may be outside the EBA remit and area of influence. Some issues may be highly relevant for some institutions, but not others.

Understanding the issues and sources of concerns supported by evidence is an important step towards **finding common ground and making future recommendations**. The questionnaire and your answers are the sources of this evidence.

Thank you!



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