**EAPB RESPONSE TO EBA CONSULTATION ON THE DRAFT Guidelines on resubmission of historical data under the EBA reporting framework**

The EAPB welcomes the opportunity to comment on the proposal of the European Banking Authority (EBA) for a resubmission framework. We remain at your disposal to provide further details on any comment.

**Question 1: What are your general views on the proposed approach to the resubmission of historical data?**

The EAPB welcomes the EBA work on reducing the reporting burden and the limitation of time periods for the resubmissions of historical data. However, we consider the proposed EBA approach not to be very efficient; it does not properly address the resubmission needs and would still result in unnecessary burden and cost for both banks and authorities.

We encourage to require reporting corrections only going back till the last year-end period for all reporting frequencies (annual, semi-annual, quarterly and monthly).

The existing and proposed low tolerance limits lead to a considerable effort usually without any essential added information value, particularly for larger institutions or for banks with highly sufficient prudential ratios. Minor errors do not have any significant impact on the assessment of the risk or capital profile of a financial institution. So, we do not t see an added value in the resubmissions if an error does not exceed a certain threshold. The focus of resubmissions should generally be on correcting material errors. Furthermore, the corrected data should be submitted only if the last reporting led to a too optimistic prudential ratio.

Last, but not least, we advocate for the risk-based ECB-approach, cf. current pilot project on resubmission, and consider thresholds derived from ECB key risk indicators (KRI), for example using multiplication factors, to be more appropriate than the approach adopted in GL. The initial application of the Guidelines as of 31 December 2023 seems to be premature. We suggest waiting for the ECB trial phase to be completed before finalising the EBA Guidelines. If the EBA decides to include special (im)materiality thresholds we would like to ask for another consultation period.

**Question 2: How do you see the proposed approach in relation to your existing resubmission policies set out in your institutions, agreed with internal audit and control functions?**

Some banks agreed on very granular resubmission policies with JST’s. A simplified standardised Guideline could reduce reporting burden if it is based on meaningful thresholds. We encourage the EBA to strike the better balance between costs and benefits.

We agree with the proposed approach of updating the data due to Q&A clarification only for future reporting dates after the clarification is published.

**Question 3: How do you see the proposed approach in relation to actual practices for the resubmission of data also considering the legal requirements set out in existing legislation (e.g. Article 3(5) of Commission Implementing Regulation (EU) 2021/451)?**

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**Question 4: Would the proposed approach be feasible from the technology perspective considering the current reporting solutions?**

In some cases the existing IT infrastructure only permits to process either the current reporting or reprocessing historical data. We propose to require resubmissions only for the periods covered by the current technical package / taxonomy. Otherwise financial institutions would need to allocate significant additional resources and multiply the IT processes to comply with different taxonomies.

Clarifications should be included in the Guidelines on how to deal with EBA validation rules that are cancelled, deactivated or suspended after a reporting date.

We are concerned that the aim of standardising the approach to resubmissions would be undermined by paragraph 29 of the Draft Guidelines under which competent and resolution authorities could require financial institutions to resubmit historical data for additional reference dates compared to the Guidelines. There are more technical limitations if not a standardised reporting or reporting for an outdated taxonomy is required.

IT resources are now involved in the implementation of various projects like new regulations on Sustainable Finance and IRRBB. Later on, they will be used to introduce new prudential rules on market risk etc. We suggest a transition period for the time of the first implementation of the new banking package CRR 3/CRD 6.

Please consider postponing the finalisation and introducing the Guidelines until the ECB finishes the resubmission project as well, to avoid inconsistent and technically overlapping requirements.

**Question 5: What are your views on the proposed ‘one-size fits all’ approach to the resubmissions, leveraging on the proportionality already built in the supervisory reporting framework, to ensure consistency of data and comparable data quality to enable users to perform their statutory tasks? Do you consider it as suitable for your institutions?**

1. **If not, please provide concrete and realistic proposals for improving the proportionality element that can be efficiently implemented in the reporting systems without unreasonable costs or increasing the overall complexity.**
2. **If such additional proportionality proposals are to be based on any threshold(s), please provide examples of such thresholds (relative and absolute) in relation to the size and complexity of your institution, and the reasoning behind that threshold.**

In our view, a proportionality principle should be included. Relative thresholds could be a way to incorporate proportionality. Moreover, banks with highly sufficient prudential ratios should use higher thresholds.

We advocate for the risk-based ECB-approach, cf. current pilot project on resubmission, and consider thresholds derived from ECB key risk indicators (KRI), for example using multiplication factors to be more appropriate than the approach adopted in GL. If the EBA decides to include special (im)materiality thresholds we ask for another consultation period with the industry on these thresholds.

**Question 6: If such additional proportionality proposals are to be based on less historical reference dates to be resubmitted (compared to those set out in paragraph 17), then what could these be for different types of institutions (large, medium-sized, SNCI)?**

We consider the uniform methodology for all frequencies, ECB approach, usage of relative thresholds and its declination for historical resubmissions would fit well institutions regardless of their size.