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European Banking Authority
20 Avenue André Prothin
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Submitted via online portal

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Dear Sir/Madam,

AIMA's response to EBA/CP/2020/07 – Draft Implementing Technical Standards on reporting requirements for investment firms and on disclosures requirements under the IFR.

The Alternative Investment Management Association Limited (AIMA)¹ appreciates the opportunity to submit its comments to the European Banking Authority (EBA) in relation to its consultation on the Draft Implementing Technical Standards ('ITS') on reporting requirements for investment firms under Article 54(3) and on disclosures requirements under Article 49(2) of Regulation (EU) 2019/2033 ('IFR') (the 'draft ITS').

We appreciate that the EBA has developed the draft ITS in accordance with its mandates under Article 49(2) and Article 54(3) of the IFR. Although we support the draft ITS in principle, we would encourage the EBA to consider employing a more proportional and pragmatic approach by not requiring investment firms with a more limited licence type to submit the reports where these are not relevant to these type of investment firms and, as a result, would not provide any relevant or useful data. As it currently stands, we believe that this requirement would create an administrative burden that would provide no real benefits. Changes to the reporting framework involve significant costs and management time to implement the required systems and processes that will put firms in a position to report. Reducing unnecessary reporting, where possible, is essential to avoid firms incurring unnecessary costs.

¹ AIMA, the Alternative Investment Management Association, is the global representative of the alternative investment industry, with more than 1,900 corporate members in over 60 countries. AIMA's fund manager members collectively manage more than \$2 trillion in assets. AIMA draws upon the expertise and diversity of its membership to provide leadership in industry initiatives such as advocacy, policy and regulatory engagement, educational programmes and sound practice guides. AIMA works to raise media and public awareness of the value of the industry. AIMA set up the Alternative Credit Council (ACC) to help firms focused in the private credit and direct lending space. The ACC currently represents over 170 members that manage \$400 billion of private credit assets globally. AIMA is committed to developing skills and education standards and is a co-founder of the Chartered Alternative Investment Analyst designation (CAIA) – the first and only specialised educational standard for alternative investment specialists. AIMA is governed by its Council (Board of Directors). For further information, please visit AIMA's website, www.aima.org.



In addition, we believe the EBA should remove any requirements to complete the public reporting templates in instances where this information can be accessed through other openly available information. This could be effectively resolved by permitting those reporting templates to cross-refer to the relevant publicly available information.

We would be happy to elaborate further on any of the points raised in this letter. For further information please contact Jennifer Wood, Managing Director, Global Head of Asset Management Regulation & Sound Practices, at +44 (0) 20 7822 8380 or jwood@aima.org.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Jiří Król". The signature is stylized and cursive.

Jiří Król
Deputy CEO, Global Head of Government Affairs
AIMA

ANNEX

In addition to the points raised in the letter, we have responded below to some of the individual questions asked in the consultation paper. Questions on which we had no comments have been omitted, but the order and numbering of the remaining questions has been retained for clarity.

Question 1. Are the instructions and templates clear to the respondents?

As mentioned above, changes to reporting frameworks will require our members to devote material management time and cost to making the necessary systems and process changes to enable them to be in a position to collect the extensive data required to file the reports. When finalising the draft RTS and the reports, we urge the EBA to ensure that the reporting framework is tailored to the licensing profile of the relevant firm and is implemented in a way which is clear and user friendly. This is to reduce the impact of transitioning to a new reporting framework and to ensure the management time needed to implement the new reporting regime is proportionate to the size and activity of the firm

Question 5. Do the respondents identify any discrepancies between templates IF 07.00 – IF 08.00 and instructions and the calculation of the requirements set out in the underlying regulation?

As a general remark, we welcome the EBA's recognition that the Common Reporting framework under CRD IV/CRR should not always be the starting point for reporting under IFR. IFR covers a range of different types of investment firms and we expect that the reporting proposed under the draft ITS will be a significant lift for investment firms which are not currently subject to CRD IV/CRR or rules driven by CRD III. We also welcome the proposed practical approach of leaving items blank for fields that do not apply to an investment firm's activities. However, we would urge the EBA to consider whether it is possible for certain reports to be automatically filtered out where they are not relevant for firms with a more limited licence type (e.g., for firms who do not deal on own account, certain K-factor reports may not be relevant).

In relation to the draft ITS, Article 3 currently envisages that where firms submit unaudited data as part of their regulatory reports then, at the point that data is audited, revised data should be submitted without delay. We think this requirement is drafted too widely and would require firms to constantly monitor for minor/insignificant changes across a large and complex data set. The EBA should require this of firms only where such data has changed materially and we call for the EBA to reflect this in the finalised ITS.

Question 10. Are the instructions and templates clear to the respondents?

In relation to the Public Disclosure on Own Funds Templates, while we understand that these may provide helpful transparency/disclosure for the largest "class 2" firms with complex regulatory capital structures or who are part of prudential consolidation groups, we think that, for most firms, completing these templates may be duplicative of information which is clearly and transparently available in their publicly-filed annual report and accounts. Where this is the case, the EBA should adopt a proportionate approach and allow the relevant templates to include appropriate cross-referencing to that publicly-filed data.