Remarks to ITS on supervisory reporting under Article 430(7) of Regulation (EU) No 575/2013 concerning operational risk

**Question 1: Are the instructions and templates clear to the respondents?**

C 16.01 – In our opinion instructions is not clear regarding calculation of own funds requirements. Instruction is talking about Business Indicator threshold of 1 and 30 mln EUR and do not precise how this should be included in own funds requirements calculation outside euro area. Currently all templates for example in Poland are in PLN, so threshold should be also calculated in PLN, for example for calculation for year 2021-2023, threshold should be 1 bio EUR \* exchange rate PLN/EUR on 31 December 2023?

If the intention has been to calculated whole capital requirement in EUR, please clarify it.

C 16.01 and C 16.02 – In case of mergers, should we include effect of it in all reporting lines in C 16.02 or only reflect it in C 16.01. Please clarify.

C 16.03 – It is not clear for us what type of data are expected. We see this template as a sum of all operational risk events financial impacts, but there is no info that this should be in line with already reported templates 17.01 and 17.02. Furthermore there is no reference to loss data set and annual operational risk loss regulated in art 316 and 317 CRR3. Should it be the same source?

What about thresholds? Currently we are collecting data with operational risk loss also lower than 20 ths. EUR. Should we report only events over the threshold?

Furthermore there is also some inconsistency with data. Sometimes the incident is registered a month or more later than its occurrence, sometimes after reporting. What Bank should do in such a case, when the incident will be recognised for example in 2023, while accounting date of loss will be in 2022. In which year loss should be reported? Resubmission is expected?

**Question 2: Do the respondents identify any discrepancies between these templates and instructions and the calculation of the requirements set out in the underlying regulation?**

**Question 3: Do the respondents agree that the amended ITS fits the purpose of the underlying regulation?**

In our opinion template C 16.03 is too granular and too difficult to obtain. Moreover, in case we have to prepare for such a detailed break-down, it is considered almost impossible to provide this data for the last 3 years. Maybe this template should be implemented on year by year basis.

**Question 4 - Cost of compliance with the reporting requirements: Is or are there any element(s) of this proposal for new and amended reporting requirements that you expect to trigger a particularly high, or in your view disproportionate, effort or cost of compliance? If yes, please:**

**▪ specify which element(s) of the proposal trigger(s) that particularly high cost of compliance,**

**▪ explain the nature/source of the cost (i.e. explain what makes it costly to comply with this particular element of the proposal) and specify whether the cost arises as part of the implementation, or as part of the on-going compliance with the reporting requirements,**

**▪ offer suggestions on alternative ways to achieve the same/a similar result with lower cost of compliance for you.**

We would like to have more alignment between Operational risk reporting and FINREP. In current shape, we need to prepare separate reporting processes, every time verifying:

* Appropriate classification of lease items;
* Appropriate division between banking and trading book;
* Appropriate reporting of costs connected with operational risk events;
* Calculation of some items from F 21 as there is a threshold, which allow not to calculated it at the level of sub consolidated FINREP reporting;

One process can be easier to manage, but will force banks to report additional data quarterly instead of yearly.

**Question 5 - Do you agree that proposed instructions and templates reflect in this draft CP cover all the clarifications needed from existing Q&As on operational risk reporting and those Q&As should be archived (as explained in Section 3.3)? If not, please refer to the Q&A number when explaining.**