

The EBA's agenda on reporting

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Agenda

1 Where are now

2 What is next

2.1 New reporting mandates

2.2 Towards a more proportionate and efficient reporting framework

Where we are now: A maximum harmonised framework

A common supervisory reporting framework is one of the very good examples of an **achievement** towards a **Single Rulebook**.

In general...

A single set of rules applicable for all institutions operating across the European Union is **crucial to achieve financial integration**:

- Ensure consistency of implementation of regulatory requirements
- Key element contributing to a level playing field – avoids regulatory arbitrage and fosters competition
- Keeps compliance costs for cross-border institutions down
- Facilitated crisis management, and recovery and resolution procedures

Specifically in reporting...

...the benefits of maximum harmonisation are

- A set of **high quality data** with a common dictionary and format
- Established communication channels and technical solutions, including **common approaches to the solution of common issues**
- **Continuous accumulation of know-how** in competent authorities and institutions

Agenda

1 Where are now

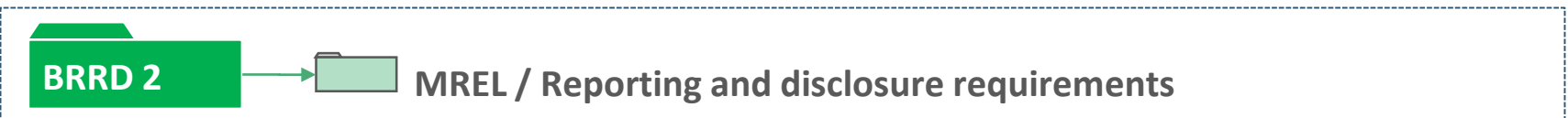
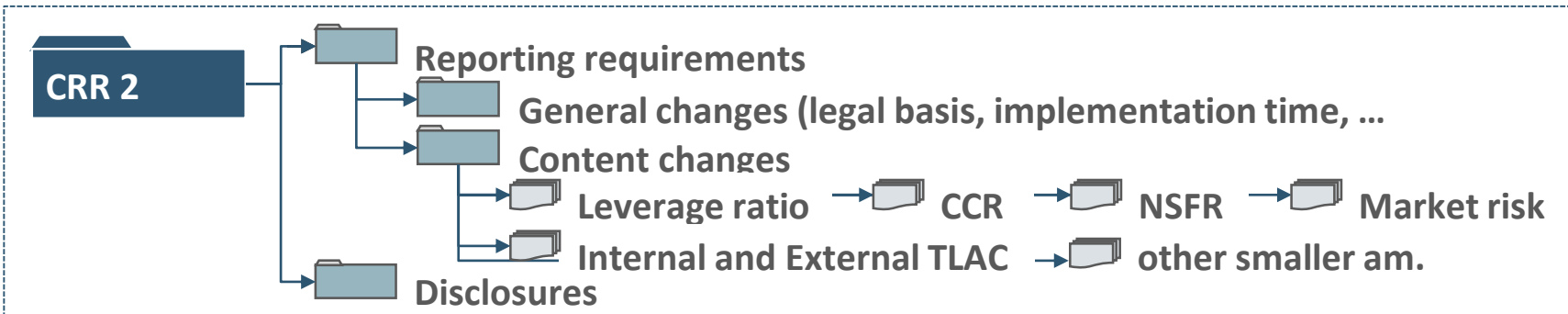
2 What is next

2.1 New reporting mandates

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Reporting mandates

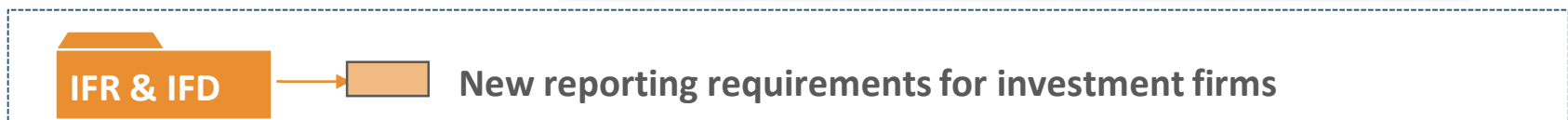
New banking reporting package



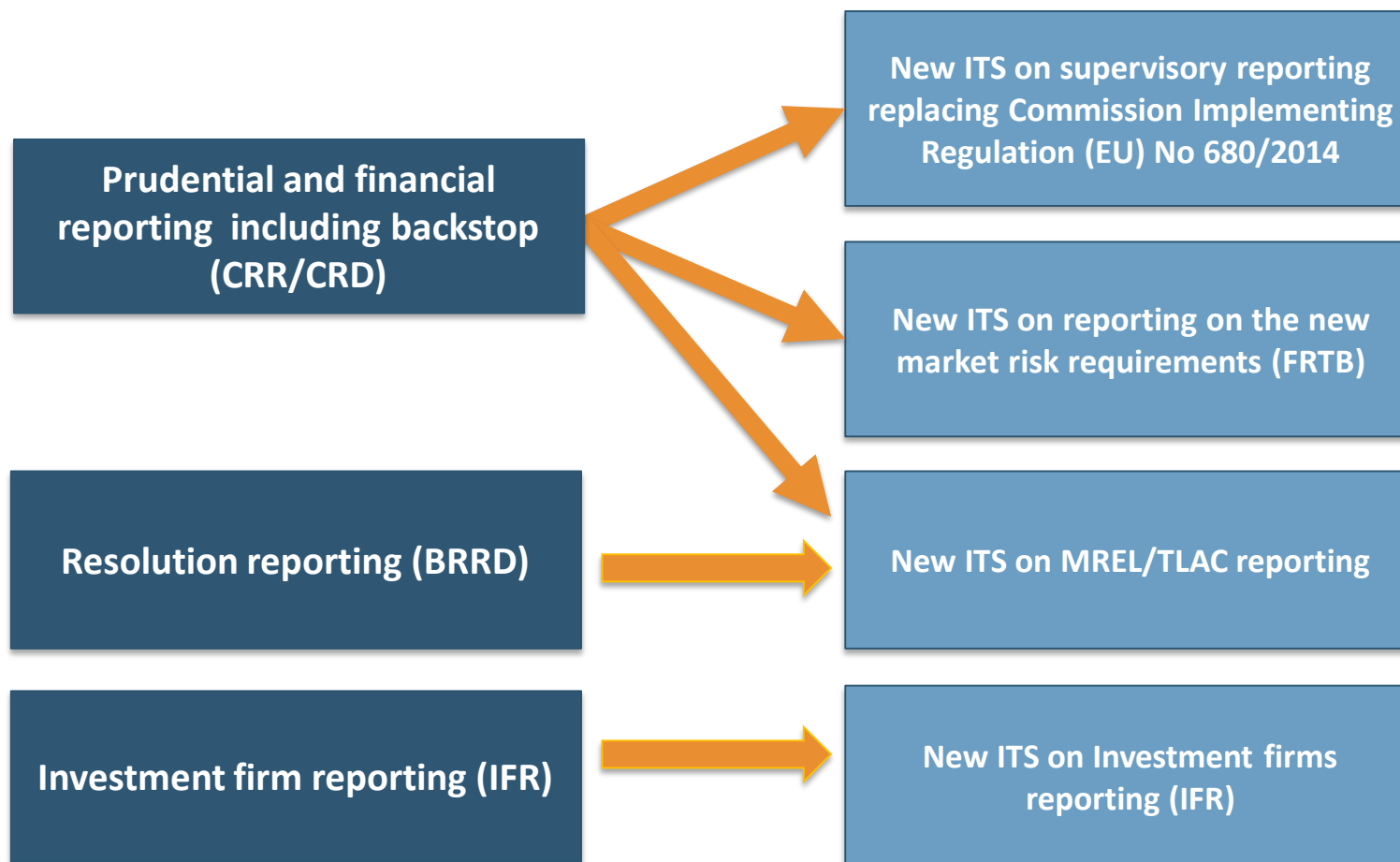
Regulation on minimum coverage of NPE



Investment firms regulatory package



Reporting mandates



Timeline – New ITS on supervisory reporting and MREL/TLAC



* MREL/TLAC publication of CP in November

Agenda

1 Where are now

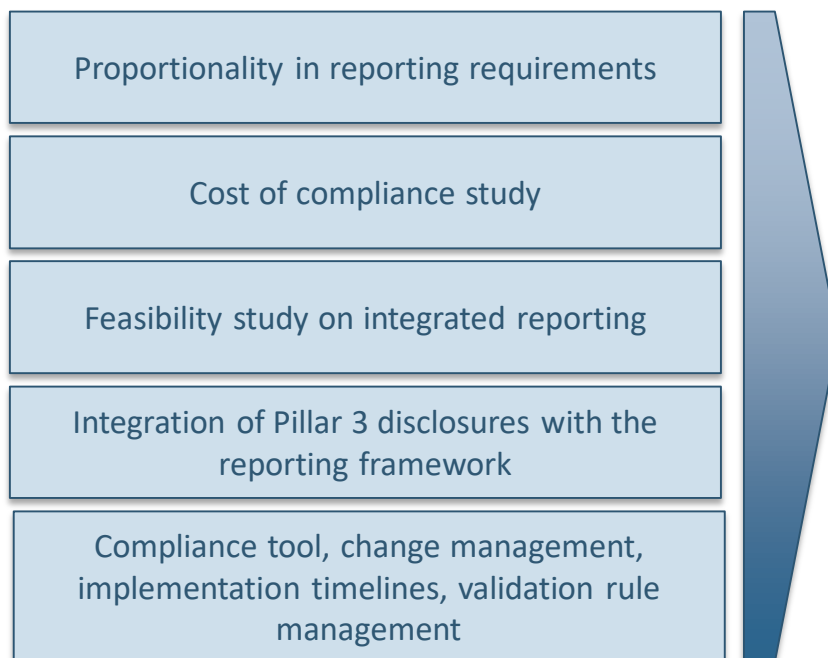
2 What is next

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Towards a more proportionate and efficient reporting framework

EBA work to increase
proportionality and enhance
efficiency

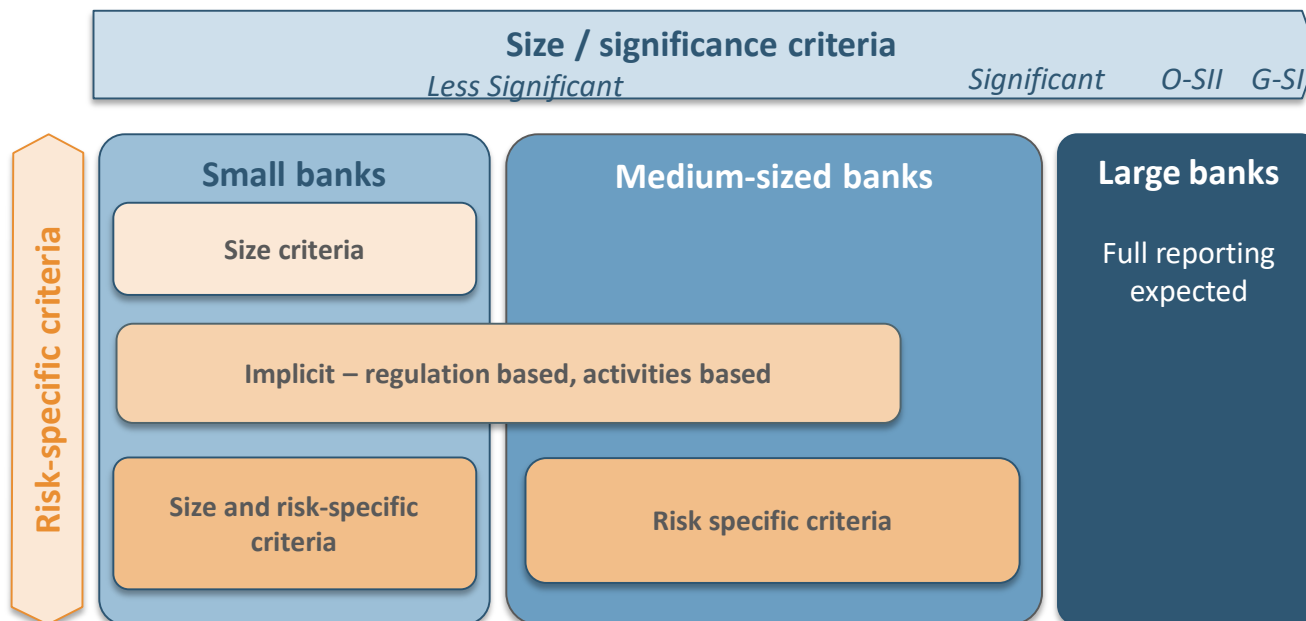


EBA reporting
framework



Proportionality in reporting requirements

Current proportionality in supervisory reporting



Way forward ...

CRR2 new definitions



Large institutions
Small and non-complex institutions
other



EBA will review the criteria and thresholds to take them into account



Further inputs on how to increase proportionality expected from the cost of compliance study

Cost of compliance

Article 430(8) of the CRR2 tasks EBA to

- **assess the costs and benefits** of the reporting requirements...
- ... and **make recommendations on how to reduce the reporting requirements** at least for small and non-complex institutions

The mandate is an opportunity to

- review and revisit existing approaches to proportionality
- Understand the cost drivers better to improve future reporting design

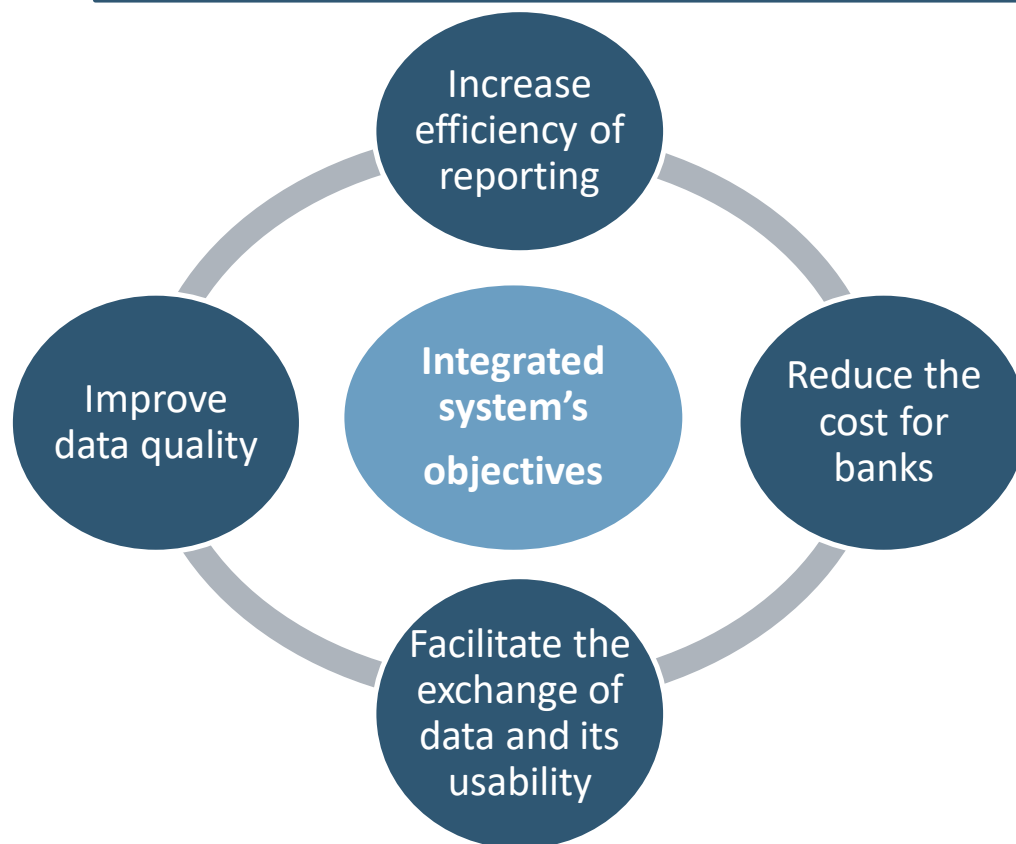
- For a fair assessment, it is important to **distinguish the cost of reporting** from the cost of compliance with the 'substance' of the underlying regulation
→ Is the necessary data available?
- Reporting framework undergoes **significant changes in the near future** due to the CRR2, CRD5, BRRD2
→ Reporting cost will be considered
- Study may **look into other measures** than just the pure 'reduced data point count'
- Recommended measures **may not translate into equal cost reduction** for all (targeted) institutions

Feasibility study on integrated reporting (i)

Mandate and objectives

CRR2 mandate: Integration at EU level

- **Article 430c:** EBA shall prepare a report on feasibility regarding the development of a consistent and integrated system for collecting statistical data, resolution data and prudential data
- **Coordination** of the project to be done by EBA as an EU institution where all EU countries interests/needs are represented/covered



Important considerations for the feasibility study:

- Understand the cost drivers of institutions' reporting processes
- The usability for the public sector
- The future proofing of the data ecosystem

Feasibility study on integrated reporting (ii)

EBA feasibility study - project overview

2019

Scoping:

- Data to be covered
- Reporting institutions
- Functionalities of system to collect and share data and coordinate requests
- Close interaction with stakeholders

Fact Finding and Research:

- Data currently collected
- Current reporting practices
- Current existing data dictionaries
- Existing projects:
 - ECB and national projects
 - State of play
 - challenges & solutions
 - Lessons learnt
- Existing technologies
- Close interaction with stakeholders

2020-2021

Report writing & analysis:

- Analysis of the options identified in the scoping:
 - Data coverage
 - Systems
- Feasibility study on the different options
- Cost/benefit analysis
- Process: Regular consultations /discussions with stakeholders

Consultation:

- Public consultation of the draft report

Integration of Pillar 3 requirements into supervisory reporting

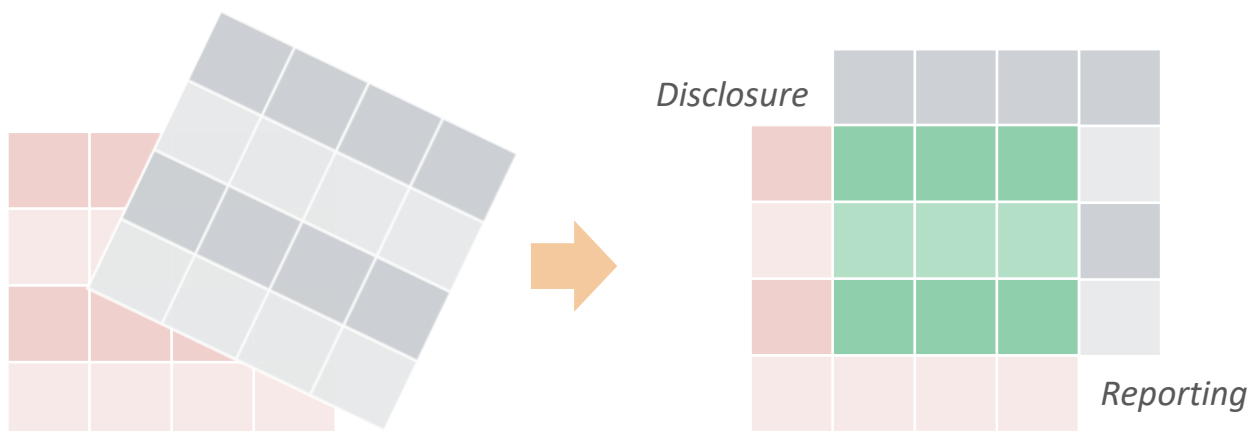
EBA is currently already working on...

Integration of Pillar 3 information (disclosure) into the reporting framework

- ✓ Improve comparability and standardisation of Pillar 3 disclosures by developing a draft ITS
- ✓ Review of Pillar 3 requirements, to reduce the implementation costs by credit institutions

EBA acting as a Pillar 3 hub

- ✓ Reducing costs, especially for small non-listed banks



Facilitate compliance with both



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