



# Public consultation on fitness check on supervisory reporting

Fields marked with \* are mandatory.

## Introduction

Please note that this consultation is also available in [German](#) and in [French](#).

Supervisory reporting requirements provide competent authorities with data on supervised entities (i.e. market participants) and their activities. Access to such data is essential to effectively supervise financial institutions, monitor systemic risks and ensure orderly markets, financial stability, and investor protection. EU law in this area consists of a large number of legislative acts covering a range of financial sector industries (banking, insurance, pension funds, investment services, post-trade services and investment funds, etc.) and products (loans, securities, derivatives, fund units, structured products, etc.). While the need to report to supervisory authorities is broadly acknowledged as being necessary, the financial crisis exposed some of the weaknesses of the supervisory reporting requirements, in that they failed to provide sufficient and/or practically useful information. As a result, legislators developed a significant number of new, and for the most part more granular, reporting requirements, the scale and pace of which may have increased the cost of compliance.

In September 2015, the European Commission launched a Call for Evidence to gather feedback from all interested stakeholders on the benefits, unintended effects, consistency, and coherence of the EU regulatory framework for financial services. Supervisory reporting was one of the key challenges highlighted by the respondents. Among the main concerns of the respondents were some overlaps and inconsistencies between reporting requirements in certain pieces of financial legislation (i.e. 'reporting frameworks'), a reportedly excessive number of requirements, as well as, at times, insufficient clarity as to what needs to be reported and an insufficient use of standards. According to the respondents, this results in excessive compliance costs and complexity. On the other hand, supervisors and regulators suggested that supervisory reporting requirements do not produce data of sufficient quality to allow them to fulfil their mandates.

Moreover, respondents stressed that implementing new reporting requirements is costly, mainly due to the need to implement or adapt IT systems and due to expenditure on training and maintenance. This suggests a need to reduce the frequency of changes to supervisory reporting requirements and to allow sufficient time to implement any changes envisaged in the legislation.

Finally, respondents to the Call for Evidence mentioned that in a number of cases Member States introduced supervisory reporting requirements in addition to those in EU legislation (so-called 'gold-plating'). These issues were subsequently discussed in an Expert Group (EG) composed of all Member States which discussed barriers to capital flows in areas of national competence. The EG identified a number of such barriers and called for further work in this area, among others to address national reporting requirements imposed in addition to those in existing EU legislation, where Member States agreed in principle that double reporting requirements should be avoided.

In order to build on the results of the Call for Evidence and other consultations and reviews, the European Commission has therefore launched a Fitness Check of existing supervisory reporting requirements. As part of this assessment, the Commission is now undertaking this public consultation to seek further and more specific input from stakeholders. The consultation aims to gather evidence on the cost of compliance with existing EU level supervisory reporting requirements (in force by the end of 2016), as well as on the consistency, coherence, effectiveness, efficiency, and added value of those requirements. More specifically, it aims to collect concrete quantitative evidence on, among others, costs incurred to meet the supervisory reporting requirements, and to gather specific examples of inconsistent, redundant or duplicative supervisory reporting requirements (e.g. reporting the same information under different frameworks or to different supervisory and/or regulatory entities). The consultation seeks feedback on ways in which supervisory reporting could be simplified and streamlined in the future. Bearing this in mind, the consultation aims at improving the usability and overall consistency of the EU supervisory reporting framework in order to help authorities achieve their objectives in a more effective and efficient way.

The feedback to this consultation will support the Commission's objective of ensuring that EU reporting requirements provide supervisors and regulators with the relevant high quality and timely information to help them to fulfil their mandates, while at the same time keeping the administrative and compliance costs and burden for firms to a minimum.

The consultation is structured along three sections reflecting the main issues and challenges that have been identified with respect to the EU supervisory reporting framework:

1. Assessing the effectiveness, efficiency, relevance, coherence, and EU added value of supervisory reporting requirements in place by the end of 2016
2. Quantifying the cost of compliance with supervisory reporting requirements
3. Identifying possible ways to simplify and streamline supervisory reporting

Respondents should provide their answers on the basis of the reporting frameworks which are relevant for them, and should take into consideration the costs incurred until the end of December 2016, and only for those frameworks in force at that date. Unless otherwise indicated, respondents should select only one answer per question. The consultation aims to go into greater detail into what has already been raised by stakeholders in various consultations. The objective is to gather specific evidence rather than general statements. A possibility to elaborate on a response has therefore been provided for each question. When doing so, respondents should aim to be as specific as possible and support their answers with examples

as well as quantitative information. In Section 2 of the consultation, respondents are requested to be as specific as possible when quantifying their answers.

While the consultation is open to all interested parties, it is aimed primarily at stakeholders directly or indirectly involved in supervisory reporting, either on the reporting side or on the side receiving and/or processing the reported data, such as financial institutions, non-financial institutions undertaking securities or derivative transactions, central counterparties (CCPs), trade repositories, trading venues, national and EU supervisory and regulatory bodies.

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**Please note:** In order to ensure a fair and transparent consultation process **only responses received through our online questionnaire will be taken into account** and included in the report summarising the responses. Should you have a problem completing this questionnaire or if you require particular assistance, please contact [fisma-supervisory-reporting-requirements@ec.europa.eu](mailto:fisma-supervisory-reporting-requirements@ec.europa.eu).

More information:

- [on this consultation](#)
- [on the protection of personal data regime for this consultation](#) 

## 1. Information about you

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\* Are you replying as:

- a private individual
- an organisation or a company
- a public authority or an international organisation

\* Name of your organisation:

BETTER FINANCE

Contact email address:

**The information you provide here is for administrative purposes only and will not be published**

vial@betterfinance.eu

\* Is your organisation included in the Transparency Register?

(If your organisation is not registered, [we invite you to register here](#), although it is not compulsory to be registered to reply to this consultation. [Why a transparency register?](#))

- Yes
- No

\* If so, please indicate your Register ID number:

24633926420-79

\*Type of organisation:

- |   |  |
|---|--|
| <input type="radio"/> Academic institution                        | <input type="radio"/> Media                                    |
| <input type="radio"/> Company, SME, micro-enterprise, sole trader | <input checked="" type="radio"/> Non-governmental organisation |
| <input type="radio"/> Consultancy, law firm                       | <input type="radio"/> Think tank                               |
| <input type="radio"/> Consumer organisation                       | <input type="radio"/> Trade union                              |
| <input type="radio"/> Industry association                        | <input type="radio"/> Other                                    |

\*Where are you based and/or where do you carry out your activity?

\*Field of activity or sector (*if applicable*):

*at least 1 choice(s)*

- Accounting
- Auditing
- Banking
- Consumer protection
- Credit rating agencies
- Insurance
- Pensions
- Investment management (e.g. ucits, hedge funds, private equity funds, venture capital funds, money market funds)
- Market infrastructure / operators (e.g. CCPs, CSDs, Stock exchanges)
- Non-Financial / Corporate enterprise
- Law firm / Consultancy
- Trade Association
- Other
- Not applicable



## Important notice on the publication of responses

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\* Contributions received are intended for publication on the Commission's website. Do you agree to your contribution being published?

([see specific privacy statement](#) )

- Yes, I agree to my response being published under the name I indicate (*name of your organisation /company/public authority or your name if your reply as an individual*)
- No, I do not want my response to be published

## 2. Your opinion

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## Section 1: Assessing whether the supervisory reporting requirements are fit-for-purpose

The consultation is structured along three sections reflecting the main issues and challenges that have been identified with respect to the EU supervisory reporting framework:

The primary objective of supervisory reporting requirements is to provide supervisory authorities with the necessary data for them to monitor systemic risk in the markets, with the aim of safeguarding the stability of the financial system and ensure investor protection. In order to be effective, this data needs to be provided rapidly and be of sufficiently high quality. Section 1 of the consultation therefore aims to assess whether existing supervisory reporting requirements – in particular in light of the fairly recent move to more granular reporting frameworks – are working as intended. In order to do so, it is necessary to assess their effectiveness, relevance, efficiency, coherence, and EU added value.

For the purposes of this section, the above criteria are understood as follows:

1. **Effectiveness** – whether the supervisory reporting requirements have produced relevant and high quality data;
2. **Relevance** – whether all of the supervisory reporting requirements are necessary and appropriate for their intended objectives;
3. **Efficiency** – whether the set-up of the supervisory reporting requirements is proportionate in terms of costs/burden in view of its objectives (or, for supervisors, compared to the benefit it brings);
4. **Coherence** – whether the supervisory reporting requirements are consistent across the different reporting frameworks;
5. **EU added value** – whether supervisory reporting requirements at EU level have contributed to the achievement of the intended objectives in a better way than would have been the case if the reporting requirements were only introduced at the national level.

### 1.1 Taken together, to what extent have EU level supervisory reporting requirements contributed to improving the following:

#### a) financial stability (i.e. monitoring systemic risk)

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

Please elaborate and provide examples to justify your answer to question 1.1.a):

BETTER FINANCE welcomes this opportunity to comment on the EU level supervisory reporting requirements framework which provides competent authorities with data from supervised entities (market players) and their activities. As reminded by the European Commission, data are essential to supervise financial institutions, monitor systemic risks and ensure orderly markets, financial stability and investor protection.

As a general remark, BETTER FINANCE sees values in ESAs being empowered with the collection of data from market players. However, under the present framework, ESAs do not have the proper tools to easily and efficiently collect the data necessary to fulfil their role. In its answer to the Public Consultation on the operations of the ESAs of the European Supervisory Authorities (BETTER FINANCE's answer to the consultation on the operation of the European Supervisory Authorities [http://betterfinance.eu/fileadmin/user\\_upload/documents/Position\\_Papers/Financial\\_Supervision/en/PP\\_-\\_Response\\_CONSULTATION\\_ON\\_THE\\_OPERATIONS\\_OF\\_THE\\_EUROPEAN\\_SUPERVISORY\\_AUTHORITY\\_160517.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Position_Papers/Financial_Supervision/en/PP_-_Response_CONSULTATION_ON_THE_OPERATIONS_OF_THE_EUROPEAN_SUPERVISORY_AUTHORITY_160517.pdf)), BETTER FINANCE already raised that ESAs should be empowered with ensuring that the provision of such data is independent and easily accessible to individual savers and investors. In particular, the ESAs have failed to report on the performance and fees of the retail financial products they supervise.

As raised by BETTER FINANCE in its answer to the Fitness check on supervisory reporting requirements (BETTER FINANCE's Feedback on roadmap on Fitness Check of supervisory reporting requirements in the financial sector [http://betterfinance.eu/fileadmin/user\\_upload/documents/Position\\_Papers/Financial\\_Supervision/en/Roadmap\\_on\\_Fitness\\_EC\\_Supervisory\\_requirements\\_FINAL.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Position_Papers/Financial_Supervision/en/Roadmap_on_Fitness_EC_Supervisory_requirements_FINAL.pdf)), banking supervisory transparency (the publication by prudential supervisors of data about the institutions they supervise) participates to the market discipline and financial stability. However, as pointed out in a study published by Bruegel and Peterson Institute (Bruegel - "The European Union remains a laggard on banking supervisory transparency" <https://piie.com/blogs/realtime-economic-issues-watch/european-union-continues-lag-banking-supervisory-transparency>), the level of banking supervisory transparency is much lower in the EU versus the US and deteriorated since 2016 particularly in Estonia, France, Luxembourg and Czech Republic

It is almost impossible for EU citizens to know from EU banking supervisors the creditworthiness of their bank. The 2011 EBA stress tests failed to inform EU citizens about the weakness of DEXIA and of the biggest Cypriot banks.

## **b) market integrity (i.e. surveillance of market abuse and orderly functioning of the markets)**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

### **Please elaborate and provide examples to justify your answer to question 1.1.b):**

In terms of market integrity (i.e. surveillance of market abuse and orderly functioning of the markets), BETTER FINANCE already raised that ESAs are lagging behind in terms of access to information, in particular for market trade data, and for investment products performance metrics.

This lack of effectiveness has been pointed out by BETTER FINANCE in the case of the investigation on

Closet indexing (falsely active equity funds) carried out by ESMA (See BETTER FINANCE's research report on Closet indexing [http://betterfinance.eu/fileadmin/user\\_upload/documents/Press\\_Releases/en/Other\\_investors/EN\\_-\\_Press\\_Release\\_and\\_Annexes\\_2\\_3\\_-\\_Better\\_Finance\\_replication\\_of\\_ESMA\\_study\\_on\\_Closet\\_Indexing.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Press_Releases/en/Other_investors/EN_-_Press_Release_and_Annexes_2_3_-_Better_Finance_replication_of_ESMA_study_on_Closet_Indexing.pdf)). In fact, when BETTER FINANCE asked ESMA to investigate these "closet indexing" funds, ESMA investigated the matter but could only look at UCITS funds, and not at AIFs which are the more numerous and more sold to retail investors. In addition, they had to rely entirely on a private commercial database and could analyse only less than half of the UCITS equity funds selected for lack of the necessary data on the majority of the funds. Therefore, BETTER FINANCE believes that the ESAs should have much more comprehensive and easier access to these data in order to be able to better fulfil their duty of market supervision and to make available those data to the public. BETTER FINANCE does not know of any cases where the ESAs identified, corrected and reported market abuses.

**c) investor protection (i.e. ensuring proper conduct by firms to ensure that investors are not disadvantaged/negatively impacted)**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**Please elaborate and provide examples to justify your answer to question 1.1.c):**

In its answer to the Roadmap on Fitness check of Supervisory Reporting Requirements ( BETTER FINANCE' s Feedback on roadmap on Fitness Check of supervisory reporting requirements in the financial sector [http://betterfinance.eu/fileadmin/user\\_upload/documents/Position\\_Papers/Financial\\_Supervision/en/Roadmap\\_on\\_Fitness\\_EC\\_Supervisory\\_requirements\\_FINAL.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Position_Papers/Financial_Supervision/en/Roadmap_on_Fitness_EC_Supervisory_requirements_FINAL.pdf)) , BETTER FINANCE already raised that reducing the burden of supervisory requirements must not happen at the expense of the financial services users and individual investors. A concrete example of the negative consequences of reducing the burden of supervisory requirements is the elimination of the funds' KIID. The PRIIPs Delegated Regulation eliminates the mandatory and standardised disclosure of the 10 years past performance of all UCITS funds and their benchmarks. Another example is the European Bank Authority (EBA) stopping to collect, analyse and report on consumer trends in 2017, although this is a legal requirement. Reducing supervisory reporting requirement is all the more confusing since supervisory authorities have been recently asked by the European Commission ([https://ec.europa.eu/info/sites/info/files/171013-request-to-esas-to-report\\_en.pdf](https://ec.europa.eu/info/sites/info/files/171013-request-to-esas-to-report_en.pdf)) to enhance the transparency of past performances of investment products by inter alia using the KIID data. Here again, BETTER FINANCE believes that the current supervisory reporting requirement are not sufficient enough to ensure investors protection.

**1.2 Are all of the existing supervisory reporting requirements relevant for maintaining financial stability and upholding market integrity and investor protection?**

- Yes, they are all relevant
- Most of them are relevant
- Some of them are relevant

- Very few are relevant
- Don't know / not applicable

**1.3 Is there information that should be reported but which currently is not (i.e. there are reporting requirements that should be added)?**

- Yes
- No
- Don't know / not applicable

**If you answered yes to question 1.3, please provide specific examples of reporting requirements which in your view should be added and explain why you believe they are needed:**

In this regard, one example could be raised: the requirements on the access to information on past performance and costs of the financial products and the creditworthiness of EU banks. BETTER FINANCE has raised for years now that EU citizens as savers and investors must have access to the past performance and costs of the financial products they invest in. In October 2017, the European Commission finally asked the ESAs on the past performance and costs of long-term savings products (BETTER FINANCE's Press release " European Supervisory Authorities finally asked to report on the past performance and costs of long-term savings products " [http://betterfinance.eu/fileadmin/user\\_upload/documents/Press\\_Releases/en/PR\\_-\\_ESAS\\_FINALY\\_ASKED\\_TO\\_REPORT\\_ON\\_THE\\_COST\\_AND\\_PAST\\_PERFORMANCE\\_OF\\_LONG-TERM\\_SAVINGS\\_PRODUCTS\\_-\\_201017.pdf](http://betterfinance.eu/fileadmin/user_upload/documents/Press_Releases/en/PR_-_ESAS_FINALY_ASKED_TO_REPORT_ON_THE_COST_AND_PAST_PERFORMANCE_OF_LONG-TERM_SAVINGS_PRODUCTS_-_201017.pdf)).

**1.4 To what extent are supervisory reporting requirements across different EU level reporting frameworks coherent (e.g. in terms of scope, content, methodology, timing /frequency of submission, etc.)?**

- Fully coherent
- Mostly coherent (a few or minor inconsistencies)
- Somewhat coherent (numerous inconsistencies)
- Not coherent (mostly or totally inconsistent)
- Don't know / not applicable

**1.5 To what extent is supervisory reporting in its current form efficient?**

- Very efficient
- Quite efficient
- Rather inefficient
- Very inefficient
- Don't know / not applicable

**1.6 How well are the supervisory reporting requirements adapted to developments in the fields of modern information and communication technologies (ICT) and digital processes?**

- Very well
- Fairly well

- Not very well
- Not at all
- Don't know / not applicable

**Please elaborate and provide examples to justify your answer to question 1.6:**

**1.7 To what extent has the adoption of supervisory reporting requirements at EU level facilitated supervisory reporting in areas where previously only national requirements existed?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- It has made supervisory reporting more complicated
- Don't know / not applicable

**Please elaborate and provide examples to justify your answer to question 1.7:**

**1.8 To what extent have options left to Member States in terms of implementing EU level supervisory reporting requirements (e.g. due to their adoption as Directives rather than Regulations) increased the compliance cost?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**1.9 Are there any challenges in terms of processing the data, either prior to (i.e. within the reporting entity) or subsequent to (i.e. within the receiving/processing entity) it being reported?**

- Yes

- No
- Don't know / not applicable

**1.10 Are there any negative environmental and/or social impacts related to supervisory reporting stemming from EU legislation?**

- Yes, both environmental and social
- Yes, environmental only
- Yes, social only
- No
- Don't know / not applicable

## **Section 2: Quantifying the cost of compliance with supervisory reporting requirements**

The feedback received from stakeholders suggests that, over the past few years, the cost of implementation and compliance with supervisory reporting requirements has increased in a couple of ways. Firstly, the introduction of new reporting frameworks and the more granular approach to reporting have increased the number and frequency of reports, necessitating additional investments into IT systems and related areas such as hiring, training, updating work processes or services delivered by external contractors. Secondly, the increasing complexity of reporting has increased operational risk, including the cost of correcting errors and financial penalties or fines for not reporting in the required formats or within required deadlines. Section 2 of the consultation aims to gather concrete quantitative data concerning this compliance cost incurred by the end of 2016 for reporting frameworks in force by this date\*.

\* Note: some of the costs incurred until the end of 2016 may have been incurred in anticipation of supervisory reporting requirements to be implemented only as of January 2017. Section 2 is not intended to cover these compliance costs. All replies should be provided on the basis of the situation at the end of December 2016 for frameworks in force at that date.

**2.1 Is supervisory reporting in its current form unnecessarily costly for its intended purposes (i.e. ensuring financial stability, market integrity, and investor protection)?**

- Yes
- No, it is at an appropriate level
- Don't know / not applicable

**Please specify what other factors, if any, contributed to the excessive cost of supervisory reporting:**

Please indicate the relevance of the listed factors by giving each a rating from 0 (not contributed at all) to 4 (contributed greatly).

|          | Factors | Rate from 0 to 4 |
|----------|---------|------------------|
| Factor 1 |         |                  |
| Factor 2 |         |                  |
| Factor 3 |         |                  |
| Factor 4 |         |                  |
| Factor 5 |         |                  |

**2.4 Does the obligation to use structured reporting<sup>1</sup> and/or predetermined data and file formats<sup>2</sup> for supervisory reporting increase or decrease the compliance cost of supervisory reporting?**

<sup>1</sup> (i.e. templates or forms in which specific data elements to be reported are listed).

<sup>2</sup> (i.e. (i) the exact way in which the individual data elements are to be encoded or (ii) the file format in which the information to be reported is exchanged/submitted).

- Increases the compliance cost
- Decreases the compliance cost
- Does not impact the compliance cost
- Don't know / not applicable

**2.5 Please specify the supervisory reporting frameworks to which you are subject (or, in the case of entities receiving and/or processing the data or supervisory authorities, which you deal with or make use of):**

**2.5.1 Please estimate the cost (in monetary terms and as a percentage of operating cost) for your entity of meeting supervisory reporting requirements (or, in the case of entities receiving and processing the data or supervisory authorities, of processing the data).**

**a) Average initial implementation cost (i.e. one-off cost):**

**a i) please estimate its average initial implementation cost (i.e. one-off cost) in euro for your supervisory reporting frameworks:**

- I am able to provide an estimate
- Not possible to estimate

**a ii) please estimate the average initial implementation cost (i.e. one-off cost) as a percentage of total assets/turnover/other:**

- I am able to provide an estimate as a percentage of total assets
- I am able to provide an estimate as a percentage of turnover
- I am able to provide an estimate as a percentage of another basis
- Not possible to estimate

**b) Annual running cost (i.e. recurrent cost) in 2016:**

**b i) please estimate annual running cost in 2016 in euro:**

- I am able to provide an estimate
- Not possible to estimate

**c ii) please estimate the average annual running cost over the last 5 years (i.e. recurrent cost) as a percentage of operating cost:**

- I am able to provide an estimate
- Not possible to estimate

**b ii) please estimate the annual running cost in 2016 (i.e. recurrent cost) as a percentage of operating cost:**

- I am able to provide an estimate
- Not possible to estimate

**c) Average annual running cost (i.e. recurrent cost) over the last 5 years:**

**c i) please estimate average annual running cost over the last 5 years in euro:**

- I am able to provide an estimate
- Not possible to estimate

**d) Average annual running cost (i.e. recurrent cost) over the last 10 years:**

**d i) please estimate average annual running cost over the last 10 years in euro:**

- I am able to provide an estimate
- Not possible to estimate

**d ii) please estimate the average annual running cost over the last 10 years (i.e. recurrent cost) as a percentage of operating cost:**

- I am able to provide an estimate
- Not possible to estimate

**2.5.2 Please indicate whether the above figures concern your entity as a whole or only a part thereof (i.e. a department, a subsidiary, a branch, a regional division, etc.):**

**2.6 Which reporting frameworks contribute the most to the cost of compliance with supervisory reporting requirements? Please indicate as many frameworks as necessary and explain your answer.**

**2.7 Does your entity deal with supervisory reporting directly in-house or has this task been outsourced to an external provider?**

- Fully in-house
- Partially outsourced
- Fully outsourced
- Don't know / not applicable

**Please elaborate on your answer to question 2.7 and, if possible, explain the reasons for your business choice:**

**2.8.1 Please indicate the size of your entity's department dealing with supervisory reporting in full-time equivalents (FTE):**

**2.8.1 a) at the end of 2016:**

- I am able to provide an estimate
- Not possible to estimate

**2.8.1 b) in 2009:**

- I am able to provide an estimate
- Not possible to estimate

**2.8.2 Please indicate the size of your entity's department dealing with supervisory reporting as a percentage of the compliance work force:**

**2.8.2 a) at the end of 2016:**

- I am able to provide an estimate
- Not possible to estimate

**2.8.2 b) in 2009:**

- I am able to provide an estimate
- Not possible to estimate

**2.8.3 Please indicate the size of your entity’s department dealing with supervisory reporting as a percentage of the total work force:**

**2.8.3 a) at the end of 2016:**

- I am able to provide an estimate
- Not possible to estimate

**2.8.3 b) in 2009:**

- I am able to provide an estimate
- Not possible to estimate

**2.8.4 Please indicate whether the figures you provided in your answers to questions 2.8.1, 2.8.2 and 2.8.3 concern your entity as a whole or only a part thereof (i.e. a department, a subsidiary, a branch, a regional division, etc.):**

**2.9 Have any of the EU level reporting frameworks brought (or partially brought) cost-saving benefits (e.g. simplified regulatory reporting, facilitated internal data management processes, improved risk management, increased operational efficiencies, etc.)?**

- Yes
- No
- Don't know / not applicable

## **Section 3: Identifying possible ways to simplify and streamline supervisory reporting**

In response to the Call for Evidence, some stakeholders expressed strong support for targeted standardisation measures to allow a more effective use of technology to streamline and – to the extent possible – automate compliance and reporting functions. This is related to the framework of “RegTech” (“regulatory technology”), a recent initiative to address issues of regulatory compliance in the financial services sector through the use of innovative technology. However, detailed evidence on how exactly the use of ICT can help with supervisory reporting, and whether it is facilitated or hindered by the present set up of supervisory reporting requirements – is scarce. Section 3 of the consultation is therefore more forward-looking, and seeks stakeholders’ views on possible future developments in supervisory reporting, in particular with regards to greater use of ICT and greater automation.

**3.1 Please indicate which of the following could reduce the compliance cost while maintaining a sufficient level of supervisory reporting to ensure that the intended objectives are achieved:**

Please select all relevant answers that apply.

|   | Short term<br>(2 years or less) | Long term<br>(more than 2 years) | Don't know / not applicable |
|---|---------------------------------|----------------------------------|-----------------------------|
| Reduction of the number of data elements  | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |
| Clarification of the content of the data elements   | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |
| Greater alignment of reporting requirements   | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |
| Greater standardisation/use of international standards  | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |
| Development of a common financial language  | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |
| Ensuring interoperability between reporting frameworks and /or receiving/processing entities or supervisory authorities | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |
| Greater use of ICT  | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |
| Greater automation of the reporting process   | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |
| Other   | <input type="radio"/>           | <input type="radio"/>            | <input type="radio"/>       |

**Please elaborate, in particular explaining how you believe the answer(s) you selected for question 3.1 could be achieved in practice:**

**Concerning the development of a common financial language (i.e. a set of harmonised definitions of the terms used in supervisory reporting):**

**3.2 To what extent would the development of a common financial language help reduce the compliance cost of supervisory reporting?**

- Very significantly
- Significantly
- Moderately
- Marginally

- Not at all
- Don't know / not applicable

**Please elaborate on your answer to question 3.2:**

**3.3 To what extent would the development of a common financial language help improve the management (i.e. reporting or processing) of supervisory data required to be reported?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**Please elaborate on your answer to question 3.3:**

**3.4 Are there any prerequisites for the development of a common financial language?**

- Yes
- No
- Don't know / not applicable

**3.5 Are there any obstacles to the development of a common financial language in the short term (i.e. 2 years or less)?**

- Yes
- No
- Don't know / not applicable

**Concerning interoperability between reporting frameworks (i.e. alignment /harmonisation of the reporting requirements) and/or receiving entities (i.e. the ability of entities receiving supervisory data to share it amongst themselves in such a way that it remains legible):**

**3.6 To what extent would ensuring interoperability between reporting frameworks and/or receiving entities help reduce the compliance cost of supervisory reporting?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**Please elaborate on your answer to question 3.6:**

**3.7 To what extent would ensuring interoperability between reporting frameworks and/or receiving entities help improve the management (i.e. reporting or processing) of supervisory data required to be reported?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**Please elaborate on your answer to question 3.7:**

**3.8 Are there any prerequisites for introducing greater interoperability between reporting frameworks and/or receiving entities?**

- Yes
- No
- Don't know / not applicable

**3.9 Are there any obstacles to introducing greater interoperability between reporting frameworks and/or receiving entities in the short term (i.e. 2 years or less)?**

- Yes
-

No

Don't know / not applicable

### Concerning greater use of ICT in supervisory reporting:

**3.10 To what extent would greater use of ICT help reduce the compliance cost of supervisory reporting?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**Please elaborate on your answer to question 3.10:**

**3.11 To what extent would greater use of ICT help improve the management (i.e. reporting or processing) of supervisory data required to be reported?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**Please elaborate on your answer to question 3.11:**

**3.12 Are there any prerequisites for the greater use of ICT in supervisory reporting?**

- Yes
- No
- Don't know / not applicable

**3.13 Are there any obstacles to the greater use of ICT in supervisory reporting in the short term (i.e. 2 years or less)?**

- Yes
- No
- Don't know / not applicable

**Concerning greater automation of the reporting process:**

**3.14 To what extent would greater automation of the reporting process help reduce the compliance cost supervisory reporting?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**Please elaborate on your answer to question 3.14:**

**3.15 To what extent would greater automation of the reporting process help improve the management (i.e. reporting and/or processing) of supervisory data required to be reported?**

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know / not applicable

**Please elaborate on your answer to question 3.11:**

**3.16 Are there any prerequisites for a greater automation of supervisory reporting?**

- Yes
- No
- Don't know / not applicable

**3.17 Are there any obstacles to a greater automation of supervisory reporting in the short term (i.e. 2 years or less)?**

- Yes
- No
- Don't know / not applicable

**3.18 What role can EU regulators play in facilitating or stimulating greater use of ICT in supervisory reporting?**

- Crucial role
- Important role
- Moderate role
- Limited role
- No role
- Don't know / not applicable

**Please elaborate on your answer to question 3.18 and provide specific examples of where and how you believe EU regulators could help:**

**3.19 What role can EU regulators play in facilitating or stimulating greater automation of the reporting process?**

- Crucial role
- Important role
- Moderate role
- Limited role
- No role
- Don't know / not applicable

**Please elaborate on your answer to question 3.19 and provide specific examples of where and how you believe EU regulators could help:**

**3.20 What else could be done to simplify supervisory reporting while ensuring that regulated entities continue to fulfil their supervisory reporting requirements?**

**3.21 Can you provide any practical example of improvements to data management processes that could be applied to supervisory reporting with a view to reducing the compliance cost and/or improving the management of supervisory reporting?**

- Yes
- No
- Don't know / not applicable

### 3. Additional information

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Should you wish to provide additional information (e.g. a position paper, report) or raise specific points not covered by the questionnaire, you can upload your additional document(s) here:

#### Useful links

[More on the Transparency register \(http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en\)](http://ec.europa.eu/transparencyregister/public/homePage.do?locale=en)

[Consultation details \(http://ec.europa.eu/info/consultations/finance-2017-supervisory-reporting-requirements\\_en\)](http://ec.europa.eu/info/consultations/finance-2017-supervisory-reporting-requirements_en)

[Specific privacy statement \(http://ec.europa.eu/info/files/2017-supervisory-reporting-requirements-specific-privacy-statement\\_en\)](http://ec.europa.eu/info/files/2017-supervisory-reporting-requirements-specific-privacy-statement_en)

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