

Banking Stakeholder Group's response to the EBA consultation on the draft ITS on supervisory reporting (simplification package) and on the draft ITS amending Commission Implementing Regulation (EU) 2024/3117 regarding Credit Risk and IFRS 9 Benchmarking reporting

The Banking Stakeholder Group (BSG) welcomes the opportunity to express its views on the EBA consultation on the draft ITS on supervisory reporting (simplification package) and on the draft ITS amending Commission Implementing Regulation (EU) 2024/3117 regarding Credit Risk and IFRS 9 Benchmarking reporting.

Please see BSG responses below.

1. Executive summary

The Banking Stakeholder Group supports the EBA's objective of simplifying supervisory reporting and reducing unnecessary operational burden, while preserving the information needed for effective prudential supervision. In our view, the current framework remains highly complex and fragmented despite the simplification efforts already undertaken and those envisaged in the current consultation, with a high volume of granular data points, overlapping EU and national requirements, and recurring changes that create significant implementation costs and operational risk for reporting institutions.

The BSG therefore encourages the EBA to pursue simplification through a structured review of existing requirements. New reporting requirements should be introduced in a proportional and value-driven form, e.g. if the need to monitor new emerging risks arises, and with particular focus on eliminating duplication, improving alignment across authorities, applying proportionality more consistently, and introducing clearer materiality thresholds for resubmissions. The BSG also recommends stronger governance of reporting change processes, including better coordination across EU authorities, enhanced transparency on the rationale and cost of new requirements, and more meaningful industry engagement while also ensuring a clear understanding of supervisors' information needs to support effective supervision and timely risk identification. Finally, implementation should be gradual and sequenced, with sufficient lead time and a clear assessment

of both the reporting burden and the supervisory value of new requirements before new modules are introduced, especially in areas such as FRTB, ESG and climate-related reporting.

2. Observations

In response to the EBA consultations, the BSG would like to share the following observations, legislative or non-legislative, that could be considered to complement the EBA's ongoing efforts to simplify reporting requirements through further modernisation of reporting and reductions in the reporting burden on banks and, indirectly, their customers.

(i) Number of data points

Banks are required to report a high number of data points under European reporting standards. While a substantial amount of these data points is required to adequately monitor banks' business and risks, and to provide transparency for market participants and consumers, there are opportunities for a rationalisation of requirements. The BSG acknowledges the EBA's ongoing efforts to simplify reporting requirements, reduce data points and improve proportionality, while noting that further opportunities for rationalisation may remain. High granularity is often observed, without directly contributing to regulatory calculations. Some data are not required under Level 1 texts or are of limited usefulness. Moreover, EU-wide reporting requirements overlap with national reporting, e.g., between COREP, FINREP, P3, PD bands. Where duplications can be eliminated, the BSG recommends doing so with a focus on harmonised European reporting standards.

(ii) Alignment of data requests of multiple supervisors / regulators

The EBA feasibility study on integrated reporting (Art. 430c CRR) highlighted that duplicated data collections remain the main source of inefficiency. Authorities should systematically share collected data, use a common data dictionary, and apply harmonised validation rules so that each data element is submitted only once and reused for supervisory, statistical, and resolution purposes. The EBA could consider functioning – expanding its work on a harmonised and redundancy-free reporting enabling easier data sharing under Regulation 2025/2088 –, as the EU hub, i.e. establish a “One-Stop Shop” for regulatory reporting by enhancing data-sharing between EU regulatory and supervisory stakeholders. The EBA should assess decentralised data collection with the guiding principle of simplicity, between policy objectives and data needs (e.g. implementation of “supervisory use tests”). The BSG also recommend revising regulation 2025/2088 to institutionalise the Joint Bank Reporting Committee and enable it to pre assess the supervisory justification for new reporting requirements. In a similar vein, the BSG recommend that the EBA could function as a coordinator for reporting changes for all European authorities to streamline the change requests across authorities and implements a “change window approach”. It might be helpful, as a standard, to make use of sufficiently long lead times to allow banks to plan and coordinate implementation of changes effectively. . Hereby, the EBA could anticipate the delivery of final technical packages across all EU authorities, and preferably NCAs, and therefore might ensure sufficient implementation time for firms. The EBA might set a minimum delay between entry into force and application with greater consideration given to compliance timelines to avoid operational risks and costs such as those observed for CRR 3 / CRD VI Banking package while ensuring that implementation timelines do not unduly delay the availability of information needed for effective supervision of newly applicable prudential requirements. Further, the EBA should consider related reporting packages (such as COREP, Large Exposures and FINREP) where postponements are envisaged to ensure consistency.

(iii) Proportionality of reporting requirements

The EBA could ensure a proportional and optimal calibration and granularity of reporting requirements and expectations, considering the specific profile and risks of the supervised entities. One area of focus in this regard can be the elimination of absolute reporting thresholds across ITS templates and limiting submissions to a proportional threshold applicable to the institution (e.g. in the case of Large Exposure Reporting that has a €300mm absolute threshold). The EBA could favour cost/benefit analyses and pragmatic solutions in accordance with the proportionality principle.

(iv) Consideration given to materiality on resubmission of historical data

Within the boundaries of its existing mandates, the EBA should consider introducing transparent risk-based materiality thresholds for report resubmissions – including the option of going beyond the EUR 10k absolute threshold in current EBA guidance. The EBA could adopt an approach like the approach developed by ECB to identify significant resubmissions. New thresholds should be transparent, and interim relief should be granted until a new framework is in place.

(v) Disclosure and reporting requirements imposed at sub consolidation and entity level within Groups as well as supervisory reporting required by NCAs

The BSG is of the view that the EBA could play a more prominent role in eliminating redundancies of reporting and disclosure requirements to sub-consolidated and individual level, and advocate for group-level reporting and function as coordinator for NCA's reporting requirements.

(vi) Alignment between Pillar 3 obligations and Pillar 1 requirements

The BSG suggests that the EBA should identify potential synergies between Pillar 1 and Pillar 3 obligations, to the extent possible. The BSG suggests that the EBA could establish periodic "Regulatory Clean-Up" and realignment reviews. Pillar 3 templates produced by the EBA could be adapted with easy-to-understand information to make a clear distinction between public disclosures and non-public reporting. Content should remain understandable for the market who do not require the same level of detail as supervisors.

(vii) Rationale for reporting requirements

The EBA could consider better explaining the rationale for reporting requirements by introducing a "Regulatory Rationale Annex" for change explaining its legal basis, the diverse policy options and expected cost impact (the same transparency exercise could be set for taxonomies).

(viii) Structured dialogue with the industry

The EBA might want to envisage to have a more structural dialogue with the industry prior to the publication of supervisory reporting ITSs. It would be important to communicate in advance expected changes, especially where they are expected to significantly affect institutions in term of process changes and costs. While data management and reporting is differently organised across banks, having more and targeted conversations with end-users could further shape requirements in line with operational realities and could support a better assessment of the trade-off between reporting burden and supervisory information needs.

(ix) Ex-post impact assessments after publications of supervisory reporting ITSs

The BSG recommend that the EBA might consider for instance review all existing consistency checks (EGDQs, validation rules) to assess relevance, accuracy and avoid overlap. Costs are often embedded in wider data, IT, control and governance processes rather than attributable to a single

data point on a stand-alone basis. The impact assessment should also consider the different institutions' obligations.

For these 2 last issues, the BSG recommend that the EBA consults the IASB modus operandi which could serve as a source of inspiration.

3. Implementation timeline

The BSG appreciates that simplifying the EU reporting framework is not an easy task, and BSG members are grateful that the EBA has taken it on in the interest of simplifying the European regulatory landscape. Reporting is at the core of prudential supervision and market discipline, and a fundamental pillar of creating and maintaining trust in European banks' robustness, resilience, and financial stability via reliable data. The large amount of currently collected data, national and international layering, additional data collection exercises and authorities to be served (e.g. Anacredit, stress testing or transparency exercises), and requirements to be met, makes the process of simplifying the reporting framework more challenging than other parts of the prudential rule set on side of the regulator. On side of banks, due to the integrated nature of data flows and established calculation engines for MIS and highly relevant supervisory exercises (e.g. ICAAP, ILAAP, EU-wide stress test), proposed changes require fundamental adjustments in a large amount of systems (front office, risk, finance) which will need to be implemented via large scale IT projects. As an example, the new FINREP template F48 introduces a major new split of collateral values for NPLs, requiring split by valuation type (full visit, drive by, desktop) and valuer (internal/external) of collateral, without a level 1 requirement to include this kind of a split. Banks assert that they typically have this data only in the front office collateral systems and would not source this data to regulatory reporting systems. Sourcing this would require adjusting a significant number, potentially tens, of reporting systems. Appropriate implementation timelines also reduce effort on the side of supervisors and regulators as data quality is generally higher after sufficient testing and run times. At the same time, implementation timelines should reflect both the complexity of the required system changes and the supervisory importance of the information being collected, recognising that different reporting changes may warrant different implementation horizons.

From a practical perspective, regulatory changes require an implementation time of a minimum of twelve months after finalisation of requirements. Depending on the complexity and interoperability, it can take longer, i.e. up to 18 months.

The BSG therefore recommends taking due consideration to assess and resolve interdependencies and would encourage a more gradual and sequenced implementation approach as suggested below to avoid undue disruption or increased operational risk from the changes. In particular, the BSG would suggest the following indicative timelines:

- IFRS 18-related FINREP changes should go live twelve months after finalisation;
- FRTB-related reporting changes should go live twelve months after entering into force of the latest delegated act, and 24 months should the framework or calibration remain subject to further adjustments as the result of the FRTB benchmarking review expected for late 2026;

It is noted that the Commission has already postponed implementation to 1 January 2027 and, has issued further targeted amendments for a transitional period in its latest delegated act (expected to enter into force in early September 2026). The Commission's own technical clarifications acknowledge that important operational and technical aspects still require further work and caution against staggered implementation approaches which does affect also FRTB reporting.

- Remaining items, including standard stress-test metrics, should enter into force 18 months after finalisation of the reporting package reform. The timeline takes into account the currently well-established data framework for these items and expected limited positive impact on side of reporting entities.

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