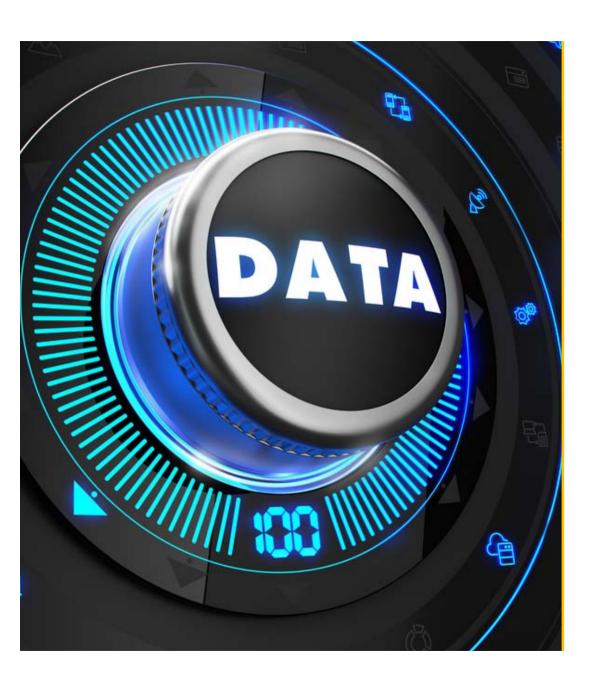


# Strategy on supervisory data in EU financial services

EBA/ECB Workshop on bank integrated reporting

01 December 2022



#### **Outline**

- supervisory data strategy: objectives and approach
  - link to bank integrated reporting and other sectoral initiatives
- main building blocks
  - focus today on common data dictionary and governance
- next steps



### Supervisory data strategy: Objectives

- Modernise and simplify EU-level supervisory reporting
  - ➤ deliver accurate, consistent, and timely data to supervisory authorities at EU and national level
  - minimise the aggregate reporting cost and burden for all parties
  - > facilitate digital transformation in data collection and analysis

Strategy on supervisory data in EU financial services, COM(2021) 798 final



### Approach

- Strategy sets out a broad implementation framework
  - identifies strategic objective, overall approach, and key 'building blocks'
  - applies across sectors (banking, insurance/pensions, markets)
- Implementation phase in cooperation with other authorities and industry
- A balanced and gradual approach
  - targeted sectoral improvements
  - towards integrated reporting within the sectors
  - ⇒ prepare ground for more far-reaching, cross-sectoral improvements



#### Sectoral measures

- targeted improvements as part of regular legislative review process
- Mandates to the ESAs
  - CRR Art 430c: EBA feasibility study on integrated reporting in banking sector and follow-up
  - (proposed) mandates for EIOPA in Solvency II and for ESMA in AIFMD/UCITS and MiFIR reviews

#### **EBA**

- bank statistical, resolution and prudential reporting
- a common data dictionary
- central data collection point
- joint governance committee

#### EIOPA

- insurance sector reporting, focus on CIU and derivatives
- reduction of duplications and inconsistencies between reporting frameworks
- data standardisation, sharing and re-use

#### **ESMA**

- asset management and financial market reporting
- reduction of duplications and inconsistencies between reporting frameworks
- data standardisation, sharing and re-use



### Horizontal building blocks

Consistent and standardized data

➤ Common data dictionary

Data sharing and reuse

➤ Common supervisory data space

Improved design of supervisory reporting requirements

Joint governance

⇒ Implementation will enable a more effective and efficient use of modern technologies, including RegTech and SupTech

#### Consistent and standardised data

common data dictionary as a cornerstone

Data dictionary should describe:

- the content of the data in a consistent way, using clearly defined terms
- data types and format of the data
- the interlinkages between, and transformations of, the data

Data dictionary should facilitate:

- clarity of understanding and comparability of the data
- avoiding redundancies
- data sharing
- difficult questions on the precise structure, scope and content (e.g. granularity)
- relevant EU/national authorities to implement the technical elements, building on sectoral dictionaries and potentially on experience from outside financial sector
- COM role in coordination across sectors and setting potential rules on uses and governance

#### Potential approaches to building the common dictionary

Develop within sectors and merge across in a sequential manner

Faster start
Tailored to sectoral needs
Learn as you go

Reengineering at integration Multiple rounds of integration

Develop cross-sectoral framework and build sectoral dictionaries in a compliant way

Consistency
Clearer planning

Initial investment in framework

Coordination from the start



### Joint governance

- Supervisory data strategy calls for appropriate governance structure that:
  - ensures ongoing cooperation, coordination and exchange of information between authorities (EU and national)
  - supports cooperation at both management and technical level
  - provides technical advice on legislative and non-legislative initiatives
  - ensures efficient use of industry expertise
  - builds on existing structures, where possible, to avoid duplication
- Joint Banking Reporting Committee should meet these requirements in the banking sector
  - in particular, Steering Committee with clear mandate and ability to set up expert groups and advance technical work
- Supervisory Reporting Roundtable (COM, ESAs, ECB, SRB and ESRB) to deepen cross-sectoral coordination and cooperation and to advance the strategy implementation
- JBRC as blueprint also for cross-sectoral coordination?
  - need to facilitate that solutions developed in banking can be extended or reused across sectors



#### Next steps

- implementation of strategy started in 2022 and will certainly go well beyond end of current COM mandate in 2024
- COM will lead some actions, other authorities will lead on others
  - coordination between EU authorities via the Supervisory Reporting Roundtable
  - will also involve the NCAs and the industry
  - next workshop planned in Q1 2023
- COM will report on progress in 2023



## Thank you!

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