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Industry questionnaire for cost of compliance study

Frequently Asked Questions (FAQ)

The objective of this document is to provide clarifications and answers to the questions regarding the industry questionnaire for the purposes of the EBA study of cost of compliance with supervisory reporting requirements. Answers are provided by the EBA central project management office based on the questions submitted to the EBA through cost.of.compliance@eba.europa.eu or the competent authorities.

General issues

Question: Will the EBA provide word or excel documents to help with translating questionnaire into languages other than English? Will the translation be available in general?

Answer: As explained in the published study methodology, the language of the study, questionnaire and all associated documents is English. The EBA does not provide translations of any documents into other languages. However, at their discretion, national competent authorities may translate the reference document (printed version of the industry questionnaire with supporting instructions and definitions – that can be found [here](#)) into other EU languages to help institutions with preparing their answers. Similar translations may be done by national industry trade bodies to help their members with answers. The questionnaire itself needs to be answered using the online tool and in English.

Quantitative questions

Question: Please clarify the definition of ‘Total IT costs’ in Question 1, and, in particular, whether software related costs, for example reporting software, should be included or excluded from the these costs?

Answer: The indicative definition suggested for the purpose of the study is *‘Total IT cost means costs with internal systems implementation, systems maintenance and internal IT staff. It does not include IT infrastructure costs like hardware and related software’*. This means that costs associated with hardware and infrastructure and software costs associated with that hardware (e.g. server software, printer software basic applications, workstation applications etc.), i.e. the cost for the very basic hardware and software that is necessary to run a business (banking or other), are excluded from the IT costs, whereas software costs associated with specific banking solutions (core banking systems, payment systems) as well as reporting solutions are to be included.

Question: Please explain the definition of the ‘EBA supervisory reporting framework’ and how it differs from ‘EBA reporting Framework’ in relation to Questions 2 and 3 of the questionnaire?

Answer: For the purposes of the questionnaire the EBA distinguishes between the ‘EBA supervisory reporting framework’ and ‘EBA reporting framework’. To this end, the:

- ‘EBA supervisory reporting framework’ consists of supervisory reporting requirements specified by the EBA, including mainly the ITS on Supervisory Reporting, the ITS on Supervisory Benchmarking and the Guideline on Funding plans; whereas
- ‘EBA reporting framework’ consists of the above plus the reporting in the area of resolution (i.e. EBA ITS on Resolution Planning Reporting).

Question 2 asks for the costs associated with the ‘EBA supervisory reporting framework’ (third to fifth column), the costs associated with resolution reporting should not be reflected there. Instead, they need to be reflected in the columns ‘Other regular reporting to competent and resolution authorities’ (sixth to eighth column).

Question 3 focuses only at the ‘EBA supervisory reporting framework’, therefore costs associated with the resolution reporting should not be included here.

Question: Does the definition of ‘total service providers cost’ include all service providers independent from their mandate, e.g. also those ones for advertisement, event management etc.? In case of affiliated/ grouped institutions this also includes the central service provider?

Answer: All costs paid to third party service providers should be reflected under Question 1 in the column ‘total service providers costs’ (including IT, events management, advertising, etc.).

In contrast, only service providers costs associated with the EBA supervisory reporting framework will be reflected under Question 3 (i.e. share of the total providers costs associated with EBA supervisory reporting framework in the total service providers costs).

Service provider cost includes also the cost associated with the use of a central service provider.

Question: Where should depreciation amounts be included?

Answer: The cost associated with depreciation should be included in ‘Total cost’, but should be excluded from ‘operating cost’ and ‘Total IT cost’.