**Polish Bank Association response to the EBA/CP/2024/18 - Public consultation on draft Implementing Technical Standards overhauling the EBA resolution planning reporting framework**

The Polish Bank Association welcomes the simplifications introduced by this draft ITS. However, other changes introduced by this draft ITS are material. In particular, expecting banks to adapt and shorten by 1 month their entire reporting process as soon as 2026 is highly troublesome for the industry. The earlier submission, combined with scope extensions and new data points, will require further IT developments and extra human resources to absorb the additional workload and avoid bottlenecks generating substantial additional costs. In our view, it is a burden for banks with no particular benefit foreseen whilst jeopardizing the data quality of the reporting.

Bringing forward the submission date by one-month results in a substantial increase of workload for teams that are already responsible, besides the collection of additional granular data, for producing several other reports since the submission date interferes, among others, with the annual results, annual report and prudential supervisory reports including ICAAP and ILAAP and (at least bi-annually) with the EBA stress test.

Banks have the needed information at the end of February or at the beginning of March. In that situation there is very limited time to prepare the reporting. As the time to deliver templates is shorter the risk of mistake made by banks is higher and this change can be counterproductive looking at purpose why the reports are prepared.

Following the initiative by the EBA to alleviate the burden of reporting, we consider it inconsistent that in a time when institutions have been investing in costly IT projects to automatise the resolution reporting, new data and different granularity are now introduced in the requirements.

We would like to indicate as well that the first quarter of every year is very challenging for bank because it is charged by many report requirements prepared by banks for different official institution. In our opinion there would be no negative consequences for stability of banking sector if some reporting requirements were steadily postponed to the second or third quarter of the year.

Another relevant matter is the lack of finalized templates, validations rules and detailed guidance as it impedes banks proceeding to launch IT developments in order to meet the 2026 deadline. Accordingly, implementation time should be extended and phased in different steps. We see a two-year implementation time as the bare minimum, considering also the annual budgetary processes of institutions.

We would also welcome an effort to avoid overlaps between similar reports required for other purposes, using very close but not perfectly similar glossaries, which generates confusion and high administrative burden. Couldn’t concepts be harmonised, glossaries be unified, and reports made portable and be shared between authorities?

We observe also growing scale of information duplicated in different templates. The scale of these duplication is much higher in opinion of banks. In current requirements banks are still obliged to deliver to the resolution authority the information concerning the operational assets, the employees assigned to critical agreements, about mapping of critical functions and main business lines, alternative FMI providers. It is delivered as fulfilment of EBA Guidelines EBA?GL/2022/01. Granular dates concerning intragroup liabilities will by delivered in the Playbook. The detailed dates as granular list of deposits, derivatives will be also delivered to the resolution authority in stage 3 of the Playbook.

Banks indicate also that the draft impose on them bigger scope of companies included in the reporting requirements presented in three form of consolidation: financial consolidation, consolidation for prudent context and for resolution group makes the needed analyses much extended and it should be done in shorter time horizon.

Finally, we urge the EBA:

* to **stabilise** the different report as the institutions are facing growing scale of requirements in area of reporting,
* to **better assess** and consider the need for data granularity, while checking and taking in account proportionality with the resolution reporting confirmed needs. It would be more efficient to focus on specific data necessary for resolution and avoid duplicating requirements that are largely covered by other frameworks.

**Question 1: Are the instructions and templates clear to the respondents?**

**Question 2: Do the respondents need further clarification to understand which of the minimum reporting obligations would apply to their specific profile (Resolution entity, Liquidation entity, RLE, non-institution…?**

**Question 3: Do the respondents identify any discrepancies between these templates and instructions and the determination of the requirements set out in the underlying regulation?**

**Question 4: Cost of compliance with the reporting requirements: Is or are there any element(s) of this proposal for new and amended reporting requirements that you expect to trigger a particularly high, or in your view disproportionate, effort or cost of compliance? If yes, please:**

Yes, we identify such elements. Our concerns generate much bigger requirements in Z07.01 with different templates concerning different economic function (different for deposits and credits) and new Z.10 including all templates with granular indication of liabilities are to be written off or to be restructured.

**Question 5: Change of the submission date from April 30 to March 31**

**The ITS update introduces an earlier submission deadline for resolution reports. This is expected to provide additional time for Resolution Authorities to assess data quality, in particular given the introduction of granular reporting to supplement the aggregate liability data currently in scope of the ITS.**

**i. How does this change impact your organisation’s ability to report resolution data in a timely manner while still retaining data quality?**

The proposal to change the submission date is a major concern for reporting institutions. It would have a substantial negative impact, resulting in an increased reporting burden and cost on banks.

Bringing forward the submission date by one-month results in a substantial increase of workload for teams that are already responsible, besides the collection of additional granular data, for producing several other reports since the submission date interferes, among others, with the annual results, annual report and prudential supervisory reports including ICAAP and ILAAP and (at least bi-annually) with the EBA stress test.

**Question 6: The Relevant Legal Entity (RLE) threshold defined in the ITS is proposed to be reduced from 5% to 2%. The threshold is referenced to the resolution group. An absolute threshold based on total assets (above 5 billion EUR) has also been added.**

**Question 7: Identification of the legal vs the resolution group structure**

**The previous reporting obligations on the organisational structure limited the scope of reporting to relevant legal entities that were part of the legal structure of the group. Under the revised ITS, the authorities would like to remove this threshold to get a more comprehensive view of the legal structure. At the same time, the ITS introduces the identification (LEI code), for each entity listed, of the resolution group to which it belongs. The information is expected to be in line with the details of the current resolution plan. Where an entity is not part of a resolution group, “N/A” would be reported in this field.\**

Banks indicate also that the draft impose on them bigger scope of companies included in the reporting requirements presented in three form of consolidation: financial consolidation, consolidation for prudent context and for resolution group makes the needed analyses much extended and it should be done in shorter time horizon.

**Question 8: The expectation is that all reporting entities, at a minimum, are required to report on their Liability Structure, at an aggregate level, in line with the current reporting obligations. In particular, the reporting introduces the notion of “Carrying Amount” in addition to the “Outstanding Amount”, to support ongoing policy developments on MREL.**

**Question 9: The revised ITS introduces the possibility of reporting on critical functions at a Regional Level, where this is relevant for a given jurisdiction, in addition to reporting at the EU and national levels.**

We have doubts about the situation of the company being the part of resolution group which is obliged to complete Z.07.01 on individual basis according to the proposed amendment of regulation 2018/1624, but this company does not play the critical function (according to decision of competent authority). Is this company obliged to fulfil this requirement in this situation?

**Question 10: The reporting on Critical Services has evolved into reporting on Relevant Services. The primary objective is to improve the analysis of operational continuity and separability in resolution. The changes also seek to avoid excessive reporting by banks by incorporating certain key elements of the assessment of operational continuity which are currently not included in the ITS and are requested ad-hoc from reporting entities.**

Banks suggest intra-enitity relevant services not to be reported by entities for which the preferred resolution tool is Bail-in - to reduce the reporting burden. It seems that for entities with transfer tools as alternative resolution tool the identification of intra-entity relevant services could be carried out under the assessment of interconnections performed in line with EBA Guidelines on transferability to complement the resolvability assessment for transfer strategies.

**Question 11: The ITS introduces reporting on substitutability of CCP segments. The ITS also introduces data points on contracts identification, notional amount for derivatives and clarifies instructions of existing data fields.**

**Question 12: In order to harmonise reporting by institutions that are part of the Banking Union (for which granular liability data reporting was introduced several year ago) and non-Banking Union institutions, the ITS introduces granular reporting of liability data.**

**In an effort to limit the overall reporting burden on banks, this reporting is limited to individual level, and, with the exception of the reporting of intragroup transactions which applies to all relevant legal entities, the scope of institutions required to report granular liabilities is limited to resolution entities.**

**The level of granularity required is as follows:**

**• Securities – granularity at the level of ISIN code issuances and potentially of the counterparty**

**• Deposits – All deposits at contract level, except Not-Covered Not-Preferred deposits with a residual maturity of less than 1 year and Covered deposits and Not Covered but Preferential deposits (regardless of their residual maturity), which should be grouped by counterparty type, by insolvency ranking, and the whether the deposit is secured or unsecured.**

**• Derivatives – granularity at the level of Master Agreement ID**

**• Secured Finance - granularity at the level of Master Agreement ID**

**• Other Financial and Non-Financial Liabilities – contract level granularity and potentially of the counterparty.**

Our concerns generate much bigger requirements in Z07.01 with different templates concerning different economic function (different for deposits and credits) and new Z.10 including all templates with granular indication of liabilities are to be written off or to be restructured.