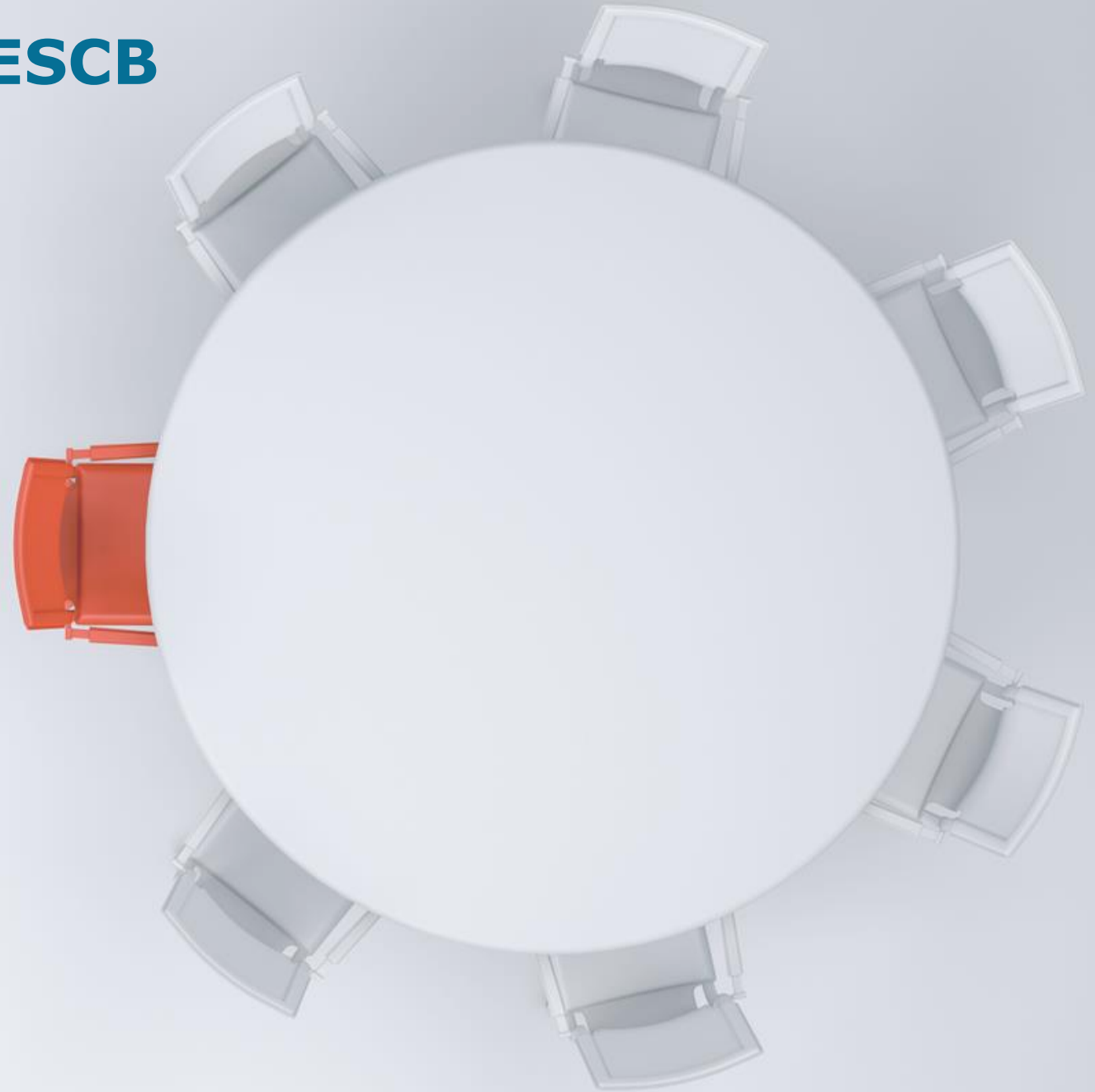


Dialogue Meeting with the ESCB

The view by the industry

27th June 2023



INTEGRATED REPORTING SYSTEM

NEW MINDSET

An open-minded approach is key since we are all onboarding on a new way of working demanding a more open debate to bridge the gap in divergent views and finding solutions together.

IMPROVED GOVERNANCE

The JBRC and RCG should be the basis of the entire new structure setting the governance for discussing about new or significantly changed templates or datasets. A structure supported by the deployment of Joint Expert Groups with experts from industry and authorities with defined mandates and deliverables e.g., data dictionary, data modeling.



COLLABORATION TO ENHANCE FEASIBILITY FOR ALL STAKEHOLDERS

Feasibility will only happen if there is a full and true collaboration between authorities and industry in the design phase of the new regulatory reporting ecosystem i.e., industry as data providers and authorities as data consumers truly working together.

CLARITY FOR SUCCESS

A clear and detailed project roadmap is key for such an extensive and multi-faceted project to clearly indicate the strategic objectives pursued by the initiative that may be challenging for both authorities and industry (budget, resources, etc).

REPORTING CONTACT GROUP



● MEMBERSHIP

Success will depend on the correct designation of its members that should represent the diversity of the European banking industry and whose decisions must be endorsed by the entire industry.

● SELF-ORGANIZED

Must have leeway to leverage on the industry's established working methods and design its own supporting structure to discuss all matters with a plenary of the banking industry to ensure the RCG position is fairly representing the entire banking industry while complying with the mandate set.

● MISSION

To make recommendations to the JBRC in the early stages of the design of any new or significantly changed reporting request from the EU banking authorities i.e., ECB, EBA and SRB, and NCAs.

● OUTPUT

For every new data request, a significant modification of an existing one or for an ad hoc request on European level, the RCG will produce, whenever deemed necessary, a recommendation paper. The RCG will present to JBRC for an open discussion to decide a potential inclusion of the proposed recommendations in the original requirements.

● RELIANCE

While it will never be the aim of the RCG to challenge the need of a new or significantly changed reporting request from the authorities, discussion should take place with the RCG to shape together the envisaged new or changed requests and the expected timeline.

● GOAL

Ensure reporting requests will be feasible for the banking industry but also that the authorities' needs will be met. This will also help to promote ways of enhancing the sustainability of the reporting ecosystem for the authorities and the banking industry in an end-to-end process and input-data based perspective.

INTEGRATED REPORTING FRAMEWORK (IReF)

With the commitment by authorities and industry, IReF can be seen as the starting piece and core of the new Integrated Reporting System.

The banking industry is fully supportive of IReF being scalable from statistical reporting and expanding to meet the data needs by supervisors too. Aligning with FINREP solo, introducing Loan Tape attributes and harmonization/reuse of definitions/categories already existing for DPM show first little steps to a real define once - report once approach.

A true cost benefit is only achievable via maximum (syntactic and semantic) harmonization and the maximum reduction of additional national requirements. Currently the change (+/-) in cost/benefit is not assessable for the industry, due to the unclear picture about the remaining national requirements and country specific implementation of new IReF collection layer.

Furthermore, it should be considered to have an E2E-integration test phase instead of a parallel productive reporting for several months.

How should we proceed? Finding solutions together (ESCB, NCBs and the industry) to ensure an overall good result!

We appreciate the willingness of the ESCB to engage in open discussion with the industry towards jointly fine-tuning outstanding matters.

Main areas to tackle within the next months will be: remittance dates and revision policy, handling of diverse accounting standards, home/host approach, final reporting scheme. We will continue to contribute via the BIRD IReF subgroup on IReF implementation support and are open for any other exchange with industry experts when needed.

While ESG increasingly dominates the current policy focus, the inclusion of ESG data should be at a slow pace.

ESG data is still very immature to even consider modelling ESG attributes in the short-term. While the integration is also part of the cCBA, we advice to start in a first phase with only a few stable ESG data fields, if at all. An expansion could then be done based on final requirements and gained experience with the reporting.

**INTEGRATION
AND
STANDARDIZATION**

**TRUE COST
BENEFIT**

**CONTINUOUS
DIALOGUE**

ESG

BANKS' INTEGRATED REPORTING DICTIONARY (BIRD)

To our understanding, BIRD will not be impacted directly when the DPM Refit meta data framework is also used for statistical reporting. BIRD and IReF is modelled using ECBs data modelling software and meta data models. IReF requirements could at output-level then be transferred to DPM Refit or any other meta data model which will be used.

BIRD itself is highly semantically integrated as far as reporting requirements allow.

With the experiences from BIRD project and the available industry expertise, we can efficiently contribute to questions / work packages addressed by JBRC in order to integrate additional info in the reporting layer or discuss possible semantic integration.

BIRD does not influence regulatory requirements itself, but assures, that banks' reporting data can be structured in a redundancy-free layer (i.e., Logical Data Model and Input Layer). Furthermore, transformation rules are included if commonly agreed. This enables banks to derive various reporting requirements from a single source - getting closer to a report once at least on the side of the banking industry.

As part of the foreseen close collaboration between JBRC and RCG on draft requirements, the banking industry could point out unclear or insufficient definitions early on, resulting in more detailed and decomposed terms and definitions at the regulatory level. The BIRD community will typically initiate a comparison between the draft requirements and the BIRD input components (LDM/IL) to identify overlaps and gaps, followed by a subsequent LDM/IL update. The reuse of terms already defined, would reduce the need for interpreting regulatory requirements thereby further reducing the workload on the BIRD side.

**BIRD &
DPM REFIT**

**SEMANTIC
INTEGRATION**

**REDUNDANCY
FREE LAYER**

**BIRD &
INTEGRATED
REPORTING**



THANK YOU!

● Contact:
European Banking Federation
f.saravia@ebf.eu