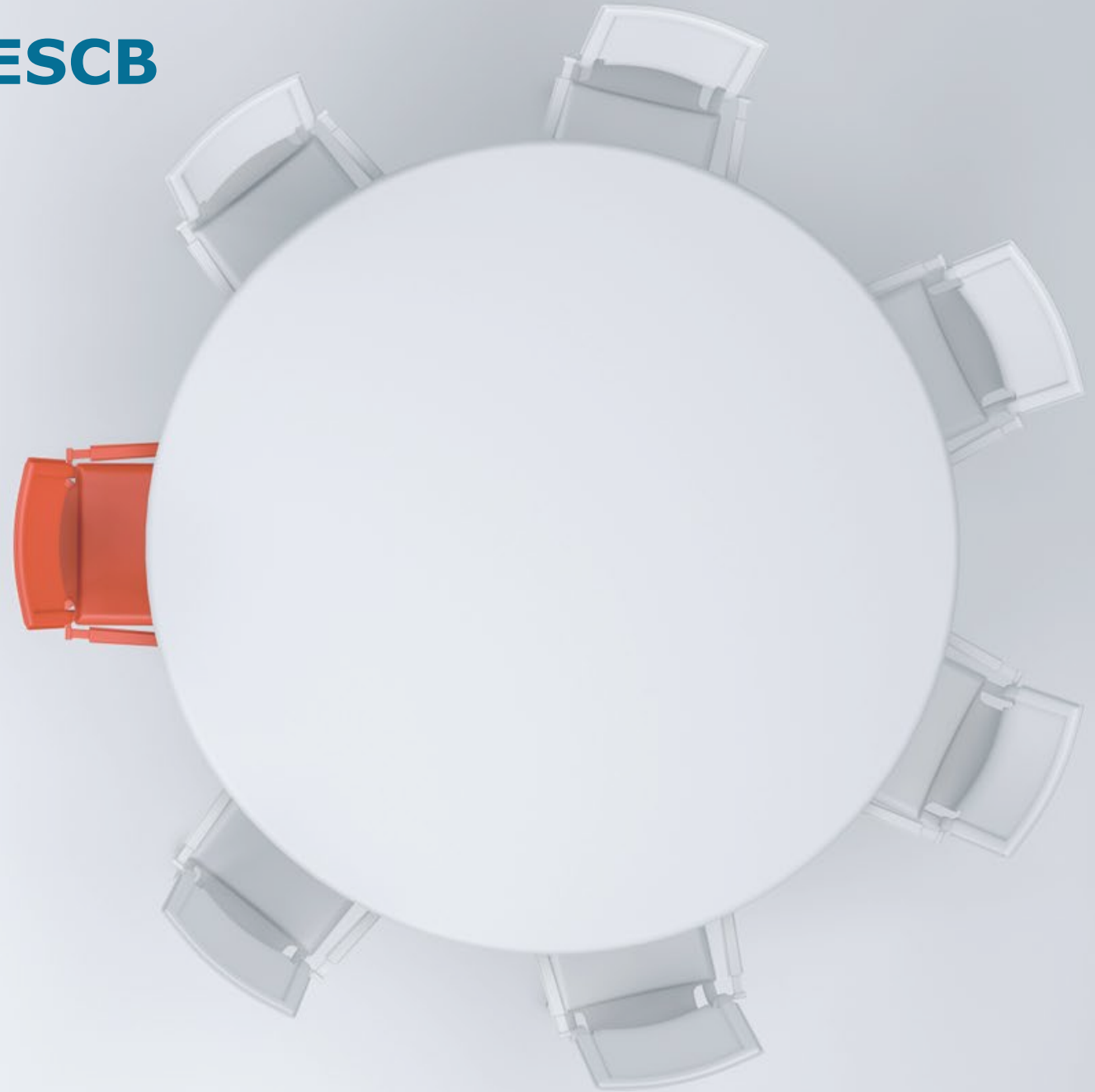


# Dialogue Meeting with the ESCB

*The view by the industry*

*18<sup>th</sup> June 2024*



# INTEGRATED REPORTING

## NEW MINDSET

We are all onboarding on a new way of working. Setting up the JBRC and RCG as the basis of the entire new structure and governance is a good step. However, we all must be careful and willing to find together good problem-oriented solutions and not to slow ourselves down with excessive bureaucracy.

## ONE SINGLE PROJECT

It is vital to see all workstreams as part of one single project and not as different individual initiatives or not relevant to a party in particular. It is crucial that all parties are properly involved on all streams and that there is the commitment to equally push towards the same objective.



## ULTIMATE OBJECTIVE

No half ways will work. The banking industry is fully supportive of IReF with the projection that this is scalable from statistical reporting and expanding to meet prudential and resolution data needs by authorities. An IReF not scalable or far from full harmonization will not bring benefits and jeopardize the vision of a truly integrated reporting system.

## CLARITY IS A MUST

Clear and detailed project roadmaps are crucial to put banks in position to be properly engaged (budget, resources, implementation, etc).

# INTEGRATED REPORTING FRAMEWORK (IReF)

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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.

Signed MoU with EBA concerning usage of the DPM as syntactic basis also for IReF, allows **harmonization/reuse of definitions/categories already existing for supervisory reporting in DPM** and forms a first little step to a real define once - report once approach.

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A true cost benefit is only achievable via maximum (syntactic and semantic) harmonization and the **maximum reduction of additional national requirements**. The change (+/-) in cost/benefit is still not assessable for the industry, while it is still unclear, which existing national reporting requirements will be included in IReF Core and Extended Layer and when.

Additionally, the length of the parallel phase drives the implementation costs significantly.

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While we already have a good understanding of the content of the IReF Core Layer, a lot of functional and technical details still need clarification / decision. No information is available on the final decisions taken as result of the cCBA responses.

In order to keep future options for further integration, **IReF Core and Extended Layer should be reported using one identical technical interface standard** (e.g. XBRL-CSV) in all countries. To make data comparable and reusable – especially under the home-approach - **IFRS accounting standard should be used for the IReF reporting** in all countries.

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Compared with the initial planning – the project has a delay of around 1 year and major relevant cornerstones and still not decided.

We see already a huge impact on the IT-landscape and our business processes of authorities and industry. Therefore, a **postponement of the start date is indispensable** (test data delivery also require to complete the implementation work first!)

**We see the urgent need for an E2E detailed milestone plan, covering (a) the finalization process of the IReF Core Layer Requirements and Logical Data Model (b) concrete scope of CSR in the IReF extended layer and decommission of national reporting requirements by country (c) availability of technical details for the submission model / format (d) overall implementation and testing plan.**

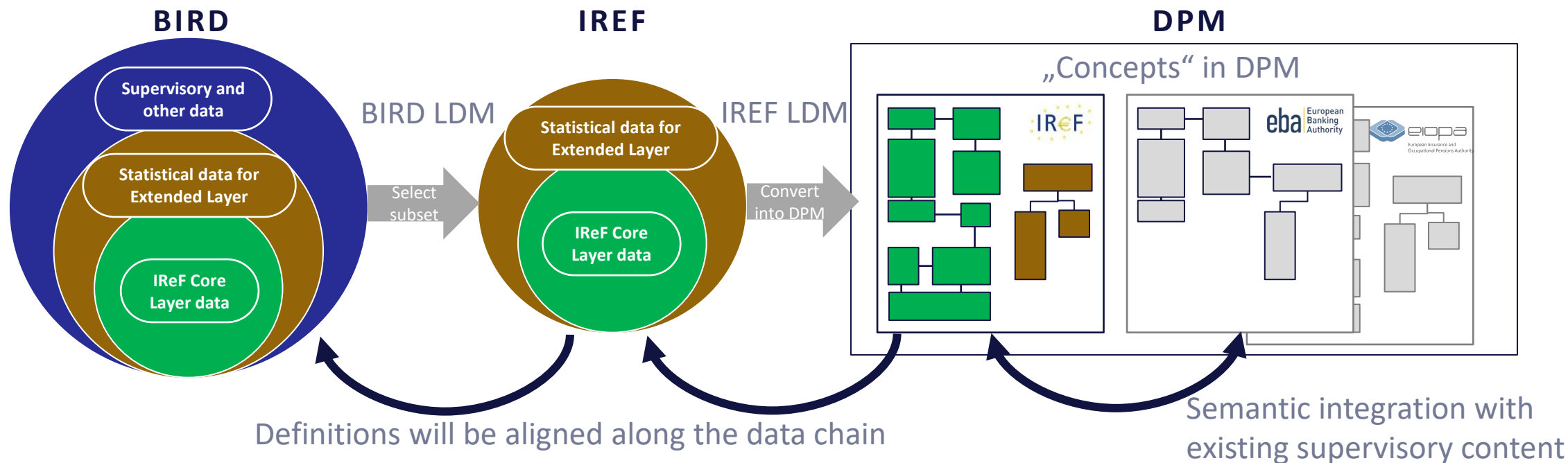
INTEGRATION  
AND  
STANDARDIZATION

NATIONAL  
REPORTING

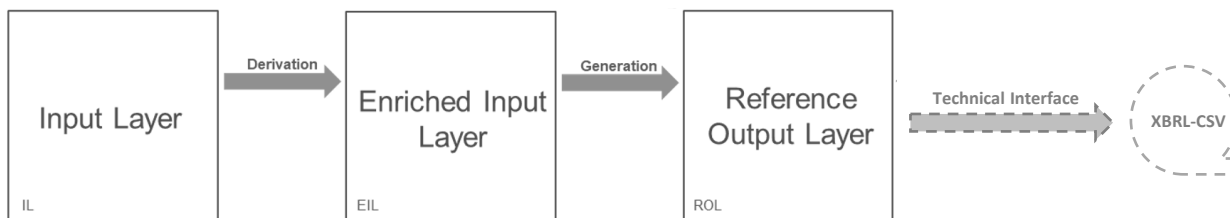
CLARIFICATION  
ESSENTIAL  
DETAIL

TIME FOR  
IMPLEMENTATION

# INTERACTION BETWEEN BIRD – IREF - DPM



Logical view



Technical view

- Industry appreciates, that new IReF reporting is based on the BIRD data dictionary which has been developed together; necessary IReF extensions to BIRD will be prioritized to make them available.
- First banks started to implement internal DWHs based on the BIRD model; therefore: BIRD changes must be produced in a timely, complete and reliable way.
- A complete data-lineage from the banks' input to data-collection by authorities – this is the main benefit the BIRD documentation can provide. According to the RDARR guide, this supports transparency about the data lineage and allows for integrated data quality measures.

# SUPERVISORY REPORTING

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- We welcome the initiative as it is based on meaningful business-oriented KRIs which points towards the most important metrics from the whole EBA Template Framework.
  - It includes materiality thresholds.
  - From the KRIs the industry can derive (reverse data engineering) key data elements on which to focus for a feasible DQ and data lineage approach as a starting point towards BCBS239 full compliance.
  - It is a hint for the reinforcement of internal control enhancement for the regulatory reporting.
  - Eagerness of the industry for feedback about the pilot exercise.
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**SIGNIFICANT  
RESUBMISSIONS**

- Need for 2.0 update: deployment of an ECB-Industry WG about ways of improving it, such as:
    - Fine tuning of the narrative after the overall scoring depending on the cause of the bad scoring.
    - More dynamic approach: the scoring is not detecting the difference between not submitting a template and 1 day delay after the remittance date, both drag the scoring to 4.
    - VR under discussion should not drag down the scoring: relaunch the EGDQ Working Group.
    - More insights about plans for including new templates: IRRBB, ESG, etc.
    - CIRE : is it going to be included in the overall scoring?
  - Need to be more closely linked to BCBS239 compliance: for banks scoring consistently 1, what is the benefit of deploying all the budget needed to be in full compliance for the standardised supervisory reporting? Specifically for data lineage.
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**DQ  
DASHBOARD**

- Discussion about the final signature date: set a meeting with industry representatives to check the SREP alignment needs with banks activity peaks and European vacations to agree on a date instead of setting a date and wait for the industry to ask for an extension.
- Proposal of discarding IT questionnaire as with this year's signature date updated. IT questionnaire and MR are almost perfectly synchronized.
- Setting end-of-year for the last DQi snapshot instead of setting 1Q of this year: this way we could have enough time to study the last DQis before explaining it to the C-Level management before the signature.

**MANAGEMENT  
REPORT**



# THANK YOU!

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