

Developments in the field of reporting burden

Supervisory Reporting Conference



Antonio Morlupi

Team Lead – SSM wide data collection DB

Background

- As part of the SSM Simplification Group (i.e. Senior Managers both in ECB and NCAs) initiative, the SSM wide
 Data Collection Database was created to further streamline supervisory reporting requirements initiated by
 the European Central Bank (ECB) and National Competent Authorities (NCAs) and improve internal
 governance.
- Aim: on one side, increasing the **transparency** of data requests sent to banks and on the other side offer the possibility for a data requester to identify ex-ante existing (and similar) data requests to avoid **duplication** using a searchable Metadata dictionary (still to be identified/developed).
- The Supervisory Board (SB) approved:
 - a) The **creation** of a database to keep a stocktake of existing data requests for Significant Institutions (SIs) to be operational in 2018 to address and control **the reporting burden** coming from the SSM.
 - b) The process for maintaining the database, giving the mandate to DG Statistics and NCAs
 - c) For all SIs to receive an overview of **upcoming requests** through their Joint Supervisory Teams (JSTs) for the coming year
 - d) The provision of an annual **dashboard** to the SB with bank-specific and horizontal data requests, for discussion

Overall process for maintenance and reporting

Stakeholders	Action	Frequency
Requester	The requester: NCA Horizontal functions, ECB Horizontal functions, JST	Ad-hoc
JSTs ECB Horizontal	Approval of the data request: Internal approval process	
NCA Horizontal functions	Once internally approved, the requester sends the request to DG Statistics.	
DG Statistics	DG Statistics receives the information (i.e. all details of the new data request) in an exce template and incorporates it in the SSM wide data collection database	el Ad-hoc
	DG Statistics participates in the materiality and complexity assessment to identify data points duplicates providing recommendations to the report developers to reduce reportion burden.	ng
SB	The SB receives from DG Statistics on an annual basis a report on the status of the database.	Annual

Current scope of the database

Bank-specific data requests to SIs

- ✓ Recurring data requests initiated and currently requested by the JST on an ongoing basis (JST);
- Recurring data requests initiated and received by NCA on an ongoing basis and now used by JST (JST Legacy);
- ✓ One-off or ad-hoc requests (incl. deep dives).

✓ Recurring data requests initiated and currently requested by ECB Horizontal on an ongoing basis for all SIs (e.g. SREP STE) or a limited scope of SIs (e.g. SREP Stress Test, NPE quarterly data collection, Horizontal shipping data collection etc.);

Horizontal data requests to SIs

- Recurring data requests initiated and received by NCAs on an ongoing basis for all SIs within their jurisdiction or a limited scope of SIs;
- ✓ Recurring data collections requested by external bodies (e.g. EBA, SRB, ESRB, BCBS), e.g. EBA EU-wide stress test, EBA Transparency Exercise etc.
- ✓ One-off or ad-hoc requests (e.g. Thematic Reviews, Pilot Exercises, IRRBB Stress test etc.).

- Internal bank reports (MIS reports);
- Requests initiated by horizontal functions (see right column).
- Macro-prudential data requests are excluded;
- ECB statistical and monetary policy data (including AnaCredit);
- Central bank related data;
- AML, resolution and consumer protection data (e.g. Liability Data reporting from SRB).

Monitoring bank's reporting burden

- ECB has defined a cross functional (i.e. DG-HOL, DG Statistics) process to perform materiality and complexity assessment on new data requests before being issued.
- Within this process, DG Statistics is requested to provide on a best effort basis an analysis on the existence of data-point duplicates.
- Report developers are suggested to remove data-point duplicates to avoid requesting banks with information already existing at ECB.
- The SSM wide data collection database (in its current pilot version) provides limited support to identification of duplicates process as it does not contain yet detailed data-point definition.
- A few numbers: on average 28 data requests per bank. 4 from JSTs, 7 from NCAs, 8 from ECB Horizontal and 9 External (i.e. ITS).

Future steps

- For a longer-term solution, we are working on 2 main work streams to enhance current processes:
 - Integrating the ECB Metadata dictionary to provide financial and prudential concepts' definition necessary to support the identification of duplicates.
 - Definition in collaboration with DG-HOL of a target operating model to involve ECB Banking Supervision stakeholders into the creation of new data requests.
- Regular collaboration with DG-FISMA at European Commission on supervisory metadata dictionaries and monitoring of bank's reporting burden.