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ESBG comments to CEBS's "Consultation paper on amendments to Guidelines on Financial reporting (FINREP 10 March 2009)"

ESBG welcomes the opportunity to give further input on the current discussion on the new proposal of FINREP and supports the initiative to reduce the supervisory and reporting burden for credit institutions in the European Union.

ESBG welcomes the intention to create a maximum requirements reporting format without national discretion to ask for additional quantitative or qualitative financial information beyond the defined maximum information. Nevertheless we would like to stress the following issues that should also be taken into account.

First of all, it is important to underline that the reduction of quantitative data does not mean that the reporting burden will automatically decrease. Indeed the amended FINREP also requires new information which can be burdensome to produce. This is why ESBG is concerned by time pressure and thinks that annual reporting frequencies and long time remittance periods should be preferred to quarterly or semi annual reporting frequencies.

Secondly, FINREP-reporting appears to be complex and to require information that is not always available on an accounting basis, especially concerning "economic hedges derivatives". While some information can easily be provided, other information might require significant accounting and IT system changes.

Thirdly, ESBG would highlight the need of harmonization between IFRS and FINREP definitions, especially concerning IAS 39.

Lastly, ESBG would welcome a harmonization in the breakdown by sectors between Statistical, FINREP and COREP required information.

