

CEBS

Via E-Mail  
CP04rev@c-eps.org

Division of Banking and Insurance  
Wiedner Hauptstraße 63 | P.O. Box 320  
1045 Vienna  
T +43 (0)5 90 900-DW | F +43 (0)5 90 900-272  
E [bsbv@wko.at](mailto:bsbv@wko.at)  
W <http://wko.at/bsbv>

Ihr Zeichen, Ihre Nachricht vom

Unser Zeichen, Sachbearbeiter  
BSBV 115/Dr.Ru/Na

Durchwahl  
3137

Datum  
1<sup>st</sup> of April, 2008

Re: CEBS Consultation Paper on Amendments to Guidelines on Common Reporting

The bank and insurance division of the Austrian Federal Economic Chamber representing all Austrian Credit Institutions welcomes the opportunity to comment on CEBS Consultation Paper on Amendments to the Guidelines on Common Reporting.

We would like to comment on it as follows:

#### General remarks

First of all we would like to draw CEBS' attention to the fact the Basel 2 reporting requirements have just been implemented. Therefore we do not assess adjustments as of prior importance because those adjustments cause additional costs and further work to be done when changing existing reporting requirements.

In principal, harmonisation of the reporting framework facilitates procedures and organisational structures within a banking group operating on international level. The topics under discussion - remittance dates and reporting frequencies - are essential pillars towards this objective.

Therefore we welcome and support CEBS' efforts towards a harmonisation of COREP and FINREP. From our point of view the main issues which have to be discussed in order to reach this harmonisation are:

- i. the future treatment of the national discretions (n.d.), where we believe that mutual recognition could be a good way to solve the current problems in cases where n.d. cannot be removed,
- ii. a common interpretation and field definition for the reports together with an alignment with the IFRS definitions (e.g. in terms of asset classes, definition of overdue claims,...) and
- iii. a harmonisation of the reporting frequencies and remittance dates.

We would like to emphasise that we believe that the existing COREP and FINREP reporting packages shall be the framework for the next three years, where just the introduction of common definitions should bring up a comparability/harmonisation of all national reporting definitions.

Due to that we consider that the introduction of a guideline with a strong recommendation for the definitions of the fields in the reports would be very helpful in view of a harmonisation of the reporting data on a European level.

Additionally to that, a harmonisation of contents and segmentations of statistical reports could help to considerably reduce reporting burden due to differing requirements in member states.

### Same approach for FINREP and COREP

Do respondents consider that a future proposal on FINREP can follow the same approach as for COREP? If not, please indicate the reasons and explain alternative solutions.

First it has to be said that the FINREP report of the fourth-quarter should be based upon the figures of the financial accounting. Hence, we would like to draw CEBS' attention to the fact that most of the year end figures publications will be later than the proposed reporting date. We object to send the FINREP reports before publishing year end figures officially and believe that other Institutions will share these concerns. In order to avoid the problems arising from that issue we propose an extension of the remittance date for the **report of the last quarter until the ultimo of February**. A remittance period of at least 35 days for the consolidated reports for the first, second and third quarter is adequate from our point of view.

Here, a harmonisation of both approaches should be the target, especially if the remittance dates are the same.

Wherever for FINREP and COREP different approaches are applicable, timelines could become stringent due to reconciliation requirements. Equivalent remittance dates can only be kept when reporting basis and principles are the same.

A harmonisation of COREP and FINREP will only be reasonable if an entire set of monthly reports is no longer requested and if the remittance period for COREP, based on audited FINREP figures, is longer.

In addition to the envisaged harmonisation of reporting periods and deadlines, higher convergence of reporting information and formats is desirable. National discrepancies in the reporting framework result in problems caused by differing reports that must be prepared within a shorter period and submitted earlier.

A reduction of regular supervisory reporting requirements to the COREP framework could help to reduce administrative burden resulting from various statistical data requirements differing among all countries where a banking group is active in.

## Harmonisation of maximum reporting frequency

Harmonisation of reporting frequency on quarterly basis would result in a reduction of the reporting burden.

The proposed exemption concerning remittance of the monthly CA Template refers to solo reporting only. Opposed to that, under the valid Austrian regulation the CA Template has to be prepared monthly on solo and on consolidated level.

In fact, maximum or minimum reporting frequencies do not offer an optimal solution since reporting frequencies and extent might differ from one country to the other. A solution other than a unification of frequencies and extent could lead to problems and result in higher reporting burden within a group.

We do not agree with the exception that the CA template on a solo basis may be required on a monthly basis as far as it was collected by the national authority by 31st December 2007. Since the preparation of the summarised information requires the filling of the detail templates this exception would lead to a unduly burden for all institutions which will have to deliver this information. Therefore we believe that this proposal will thwart the efforts to a harmonised reporting.

## Adequate balance between timeliness and quality of data

Currently for some countries solo reports must be submitted according to local GAAP, for other countries IFRS are applicable locally. For consolidated reporting, Austrian GAAP are applicable. Uniform application of IFRS could reduce reporting and reconciliation requirement.

In general we agree with CEBS' proposal to harmonise the remittance date and the reporting frequency. To achieve this aim we consider CEBS' proposal to **introduce a minimum remittance date** to be the **most suitable** and therefore support this approach. We do not share CEBS' concerns that this approach may not solve the problems for cross-border groups since we are confident that problems arising from longer remittance dates for the solo reports of certain group members could easily be solved group internally.

However we would like to point out that we have concerns whether a remittance period of 15 business days for solo reports is sufficient in respect of the data collection and -quality. From the actual point of view it is not realistic to report within a remittance period of 15 business days. Moreover, CEBS' analysis shows that currently in 16 of 29 Member States (MS) a longer remittance period than 20 business days and in 2 MS a remittance period of 20 days is applied. In other words two-thirds of the MS have applied a remittance period of 20 days or longer. Due to that and furthermore due to the fact that we believe that the currently applied remittance periods are the outcome of serious discussions between the authorities and the banks in the several MS, we cannot find the reason behind CEBS' proposal for the introduction of a remittance period of 15 business days. Therefore we ask CEBS' to reconsider its proposal and suggest to **extent the remittance date for solo reports from 15 to at least 20 business days** as we believe that this will improve the data quality and will not effect the timeliness.

Regarding the remittance date for the consolidated reports we believe that the remittance period of at least 35 days is possible.

It also has to be said that the analysis of the reporting frequencies, provided by CEBS' in just two charts does not provide sufficient information from our point of view. We would welcome an analysis of the frequencies for the consolidated as well as for the solo data divided into countries/type of report report/frequency.

### **Application of the proportionality principle**

Reduced remittance of reports for smaller institutions would result useless if the update of reports was nevertheless required under consolidated reporting.

### **Remittance Dates - Proposal solo reporting 15<sup>th</sup> working day, consolidated reporting 35<sup>th</sup> working day:**

Under the aspect of consolidated reporting, common remittance dates for individual banks facilitate the setting up of internal reporting processes since our consolidated reports are set up after finalisation of solo reports.

A considerable number of subsidiaries of our banking group are situated in non EU Member States which makes it more difficult to organize and coordinate consolidated reporting. We would highly appreciate if EBF / CEBS could encourage harmonisation of remittance dates also in non-member states.

In addition to our feedback on the issues discussed during the COREP working group meeting we want to point out some topics that are of immediate interest for banking groups:

- transitional period for subsidiaries situated in non-member countries:  
in the case of acquisitions in non-member countries the setting up of new reports takes some time since existing local reporting differs and data basis and procedures must be adapted to specific requirements
- data transfer restrictions can be adverse to a risk reporting based on individual customers and to connecting individual customer data: transitional regulations would facilitate reporting in conformity with supervisory regulations
- application of bottom up approach (acceptance of local approach of EU Member States) for group reporting would very much facilitate COREP

Basically we agree with CEBS' proposal of applying common remittance dates separated for solo and consolidated reports. Although we would like to stress out that we do not agree with the proposed 15 business days remittance period for solo reports and would prefer a at least 20 business days remittance period for them instead.

Yours sincerely

Dr. Herbert Pichler  
Managing Director  
Division Bank & Insurance  
Austrian Federal Economic Chamber