



11, June 2021

JOINT BANQUE DE FRANCE AND ACPR COMMENT ON THE DISCUSSION PAPER FROM THE EUROPEAN BANKING AUTHORITY “Discussion on a Feasibility Study of an Integrated Reporting System under Article 430c CRR”

From the late 80s onwards to the setting-up of the SSM, Banque de France and ACPR have built up an integrated reporting “SURFI”, meeting both the reporting requirements of ACPR for banking supervision and of Banque de France for monetary and financial statistics.

In light of this achievement, both institutions support setting up an Integrated Reporting System- which appears necessary and will bring real benefits, provided that it is carefully designed. An integrated reporting should improve the effectiveness and efficiency of reporting as a whole by optimising costs through standardisation of data requirements, enabling to streamline data processing and quality management, reduce redundancies and increase the data re-use (multipurpose datasets). Thus, an integrated reporting should ensure that the supervision of banks, the monetary policy and the financial stability policy are based on consistent data, warranting a well-informed, transparent and accountable decision-making. In the same token, it is intended to address the concerns of the reporting entities as regards the current trend of inflation in the reporting burden of the banking sector.

In our view, the main challenges of the project revolve around the principles of format harmonisation and organisational simplification, which can be achieved only through effective coordination of all stakeholders. In practice, the project is prone to face numerous pitfalls. That is why we advocate a pragmatic and progressive approach. We strongly believe that it is premature to decide on the target IT architecture now, all the more so as we are evolving in a fast changing technology environment. That said, it is certainly useful to discuss the various possible scenarios.

A pragmatic approach starting with the data dictionary as a keystone of the integrated reporting system

We see merit in building on existing data dictionary experiences (EBA DPM and ECB BIRD). Indeed, we understand that the two approaches would be compatible (modulo a number of tasks, including codification) and we therefore believe that a key preliminary objective should be to define how the existing dictionaries could be merged into a single one, also prototyping

how the underlying data transmission formats would work and be maintained in this context. This first step will provide the initial basis for the harmonisation needed for the following steps.

We would like to stress that granular data proves extremely useful in enhancing the analytical capacities of both the statistical and prudential areas while anchor values from the audited financial statements should remain a significant part of the data collection framework. Both granular and aggregated data are essential for the performance of the supervisory tasks and the compilation, quality assurance and analysis of key statistical datasets.

A simplified data collection process that facilitates the sharing of information while preserving a direct and real time access to national authorities

Whatever the design of the future reporting system, great attention must be paid to (i) the overall cost of the system, distinguishing between developing (and other transitional) and future operating costs, and encompassing the costs of the ECB and EBA as well as the costs of the NCBs and NCAs, and (ii) data integrity and effective access rights for all stakeholders, in the first place for the national authorities in carrying out their tasks. More specifically, we believe it is essential to guarantee all national authorities free access to all European data and, even more so, to preserve each authority's control over its national data, within an appropriate governance framework ensuring a smooth management of access rights.

In addition, the Integration Project should take into account, one way or another, the existence of reporting needs at the national level in order to avoid substantial additional costs – stemming from losses of the existing synergies in the management of National and European requirements by NCBs and NCAs – highly detrimental to the overall balance of the project.

The immediate establishment of a joint governance involving all stakeholders and aimed at laying the foundation of an integrated reporting

In our opinion, the key success factor for such a project lies in the coordination between all parties involved. In that respect, we support the establishment of a coordinated governance mechanism (informal joint committee) as soon as possible to (i) drive the transition period, notably with a view to ensuring interoperability between statistical and prudential data and processes and promoting convergence at the earliest stage in the design of requirements and; (ii) frame the future system. We see merits in involving banks in a joint committee which could be structured in two compositions, one with European and national authorities (EBA, ECB, NCAs and NCBs) and the other also including the banking industry.