



Opinion

Title: Fitness check of EU supervisory reporting requirements

Overall opinion: POSITIVE

(A) Context

The financial crisis led EU policymakers to adopt more than 40 pieces of legislation that expanded and reorganised supervision. Market participants now report more data on their financial conditions and activities. While most agree on the need for reporting, many also argue that regulators could achieve the same objectives in less burdensome ways. In recent years, regulators have been reviewing individual acts or subsectors with a view to simplify and streamline requirements. Several such efforts are ongoing.

This fitness check takes a broader, cross-cutting approach to investigate stakeholders' concerns. It assesses how well the entire EU legal framework for supervisory reporting is delivering on its objectives and how coherent it is. While both the framework and the markets themselves continue to adapt, this exercise provides a holistic overview of remaining issues.

A parallel fitness check looks at requirements for corporate reporting.

(B) Main considerations

The Board acknowledges that this fitness check represents a major undertaking. It finds this report well researched and presented.

The Board gives a positive opinion. The Board also considers that the report could further improve with respect to the following aspects:

- (1) The report does not fully develop its narratives and policy findings regarding complexity and distinction between level 1 and 2 legislation.**
- (2) The report does not fully exploit its evidence base when assessing reporting burdens on smaller entities.**

(C) Further considerations and recommendations

(1) The analysis could more clearly distinguish event-driven reporting from the structured, repetitive reporting that is the focus of this report. The intervention logic and its explanation could do more to unpack broad objectives such as market integrity, and explain supervisors' roles and information needs in this area. It could briefly outline how this fitness check relates to the parallel analysis of corporate reporting requirements.

(2) In its discussion of coherence and efficiency, the report should reconcile its finding of overall effective reporting requirements with stakeholders' complaints. It could indicate how different national implementation routes lead to the perception of a highly complex reporting.

(3) The report could better explain reasons for and issues around the current mix of reporting requirements across level 1 and 2 regulations and identify good practice in this regard.

(4) The report could make more use of available evidence to produce a clearer assessment of the reporting burden on smaller entities.

Some more technical comments have been transmitted directly to the author DG.

(D) RSB scrutiny process

The Board advises the DG to take these recommendations into account before launching the interservice consultation.

Full title	Fitness Check of EU Supervisory Reporting Requirements
Reference number	PLAN/2017/1740
Date of RSB meeting	03/07/2019