European Commission - Press release

Digital Finance: new Commission strategy paves the way for modern and streamlined supervisory data reporting

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The European Commission has today presented a new strategy to improve and modernise financial supervisory reporting in the EU. The strategy's main objective is to put in place a system that delivers accurate, consistent, and timely data to supervisory authorities at EU and national level, while minimising the overall reporting burden on financial institutions.

This will ultimately benefit citizens, through more efficient and agile supervision that ensures the stability of the financial system, market integrity, and investor protection. It will also help companies by reducing the reporting burden where possible.

This strategy will contribute directly to the objectives of the European Data Strategy and the Digital Finance package to promote digital innovation in Europe. Moreover, this strategy contributes to the objectives of a Capital Markets Union and helps to achieve a single market in financial services.

There are four main building blocks in this strategy:

- **Ensuring consistent and standardised data** that relies on clear and common terminology, as well as on common standards, formats and rules.
- **Facilitating the sharing and re-use of reported** data amongst supervisory authorities by removing undue legal and technological obstacles to avoid duplicative data requests.
- **Improving the design of reporting requirements** by developing guidelines based on best practices in applying better regulation principles in supervisory reporting.
- **Putting in place joint governance arrangements** in order to improve coordination and foster greater cooperation between different supervisory authorities and other relevant stakeholders, allowing them to share their expertise and to exchange information.

Members of the College said:

Valdis **Dombrovskis**, Executive Vice-President for an Economy that Works for People said *"Our aim is to make financial reporting in the EU more effective and to take full advantage of the opportunities offered by the digital transition. This strategy paves the way for a solid approach to monitor risks, ensuring financial stability and market integrity, and protecting the EU's investors and users of financial services. It is also part of our work to make Europe's financial sector more digital-friendly and to stimulate responsible innovation and competition. We are also taking a leading role in international discussions to promote global data alignment for digital economy to be effective, secure and accessible to all."*

Mairead **McGuinness**, Commissioner responsible for financial services, financial stability and Capital Markets Union said, *"Supervisory reporting underpins a sound financial sector, and we want the EU's reporting system to be fit for the future. Today's Strategy will make our current system more efficient and ease the administrative burden on financial companies. This will ensure that the EU's financial services sector remains a global leader, supporting supervisory authorities in maintaining financial stability and protecting consumers."*

Background

Supervisory bodies, like the European Banking Authority (EBA), require financial companies, banks, and investment firms to report certain information. This is known as supervisory reporting.

The supervision of the EU's financial system relies on data that is timely, relevant and of high quality. EU supervisory reporting rules and the way authorities collect and use data needs to keep pace with the latest developments, namely the rapid evolution of digital technologies to collect and analyse such data.

Today's strategy aims at tackling the challenges arising from the increased volume and complexity of the data required to oversee the financial system. It builds upon the conclusions of a comprehensive fitness check of EU supervisory reporting requirements in the EU's financial sector legislation. In this fitness check, the Commission concluded that the current reporting requirements in EU law are necessary and appear effective in providing supervisors with relevant data. However, there are inefficiencies in definitions concerning several reporting requirements, and in the way that data is collected.

The Commission, together with the European Supervisory Authorities (ESAs), has already delivered targeted improvements to supervisory reporting in different sectoral rules, and further work on this is ongoing. However, some of the identified issues apply across financial services sectors and therefore, they are being addressed as part of today's broader, cross-sectoral approach to supervisory data.

For More Information

Questions and Answers

Prudential requirements

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