

Complementary cost benefits assessment questionnaire on the Integrated Reporting Framework (IReF):

Frequently Asked Questions

Version of 09/06/2023

This file reviews some frequently asked questions on the complementary CBA questionnaire. Should any further clarifications be needed, please do not hesitate to contact your NCB at the e-mail address provided in the invitation.

Please notice that this file should be seen as a live document, and will be updated with more questions over time.

1. General aspects

Q1.1 *What is the main objective of the IReF?*

A The ESCB envisages issuing an IReF Regulation on statistical data requirements for banks which would be directly applicable to banks resident in the euro area and would not have to be incorporated into national collection frameworks. The IReF Regulation would specify the requirements to be collected, as well as the data model and dictionary to be used, the reporting frequencies and schedule, the common revision policy and approach to derogations, etc.

Q1.2 *Which financial institutions will be concerned?*

A The IReF Regulation will primarily target the statistical reporting of credit institutions and deposit-taking corporations other than credit institutions. Other institutional sectors are not covered at the moment. Requirements addressed to money market funds (MMFs) will not be part of the IReF but would continue to be set out in separate ECB legal acts, leaving discretion at national level on how to collect them in practice.

Q1.3 *Will the IReF Regulation replace the existing ECB statistical regulations addressing credit institutions and deposit-taking corporations other than credit institutions?*

A Yes. The existing ECB regulations which relate to the datasets falling within the scope of the IReF will be either repealed or amended to exclude credit institutions and deposit-taking corporations other than credit institutions from their scope (where the regulations also address other institutional sectors).

Q1.4 *Which are the datasets in the scope of the IReF?*

A The IReF will integrate the reporting obligations of deposit-taking corporations arising from the ECB statistical regulations on balance sheet items (BSI) and interest rates (MIR) of monetary financial institutions, Securities Holdings Statistics (SHS-S), and granular credit and credit risk (AnaCredit). The list of national collection frameworks that implement these requirements at national level is provided as an attachment in the epsilon environment.

Q1.5 *Will country-specific requirements apply under the IReF?*

A The ESCB is currently assessing the extent to which requirements covered in current national collection frameworks that are not arising from existing ECB regulations will remain applicable under the IReF. In general, it is the ESCB's objective that under the IReF country-specific requirements should be kept to a minimum to guarantee the meaningfulness of the initiative. However, it is likely that some of these requirements will continue to exist, for instance when they are linked to specific national tasks of the NCBs. In order to support reporting agents in the reporting of country-specific requirements, the ESCB is planning to develop an IReF extended technical layer to describe both the requirements of the IReF Regulation and country-specific requirements. For additional details see "The Eurosystem Integrated Reporting Framework: an overview".

It is also noted that the ESCB aims at assessing in the complementary CBA with the banking industry and other IReF stakeholders to which extent country-specific requirements that are common across countries could be covered in the IReF Regulation to the extent they are arising from ESCB tasks.

Q1.6 *Will the IReF encompass proportionality features?*

A Yes, derogations will exist in the IReF in order to limit the reporting burden for small institutions. For additional information, please refer to the results of the IReF Cost-

Benefit Assessment (CBA); see [Cost-benefit assessment: reporting schedules, revision policy, approach to derogations and implementation aspects](#).

Q1.7 *What will the reporting frequency and timelines be under the IReF?*

A Under the IReF, the reporting frequency and timelines (as well as the level of granularity of the requirements) will be standardised. For additional information, please refer to the results of the IReF Cost-Benefit Assessment; see [Cost-benefit assessment: reporting schedules, revision policy, approach to derogations and implementation aspects](#). The complementary CBA will also assess whether additional streamlining can be made in the reporting schedules; see section 'Reporting schedules' in Section 5.

Q1.8 *Under the current approach to statistical data collection, branches of euro area credit institutions are directly responsible for reporting to the NCB of the country in which they are resident. Will this approach change under the IReF?*

A The CBA questionnaire considered three possible scenarios for collecting data from branches of euro area credit institutions. Branches of non-euro area credit institutions will continue reporting to the NCB of the country where they are resident. The baseline scenario proposes to collect IReF data at the level of the legal entity (i.e. with separate returns for the head office and each of its euro area branches) and that the head office would be responsible for the data transmission. In defining alternative scenarios, it has been borne in mind that the existing ECB regulations within the scope of the IReF also cover requirements that are not implemented based on purely statistical principles. For instance, AnaCredit data referring to accounting and risk variables need to be reported based on the accounting standards of the legal entity – this type of reporting will be preserved under the IReF. Taking this into consideration, a second scenario foresees that the head office would be responsible for the reporting of IReF accounting and risk requirements, while branches would be responsible for the reporting of the remaining IReF requirements. The third scenario foresees that branches would be responsible for the reporting of all IReF data.

For additional information on the feedback received from the banking industry on this CBA topic, see [Cost-benefit assessment: high-level considerations and high-priority technical aspects](#) published on the ECB website.

Q1.9 *In case under the IReF data will be collected at the level of the legal entity, what approach will apply to branches of credit institutions registered in EU Member States that are outside the euro area?*

A While no decision has been taken yet on this specific aspect, it shall be expected that a distinction will be made depending on whether the country of residence of the credit institution decides to adopt the IReF or not. In the first case, it would seem appropriate to apply the same approach as for other euro area countries.

Q1.10 *The data production processes underlying the provision of IReF by reporting agents may benefit from the sharing of reference data on entities and securities by the ESCB. Is the ESCB considering the establishment of such data sharing?*

A The ESCB is investigating this issue both, from a legal and operational perspective, and is considering establishing an infrastructure that would enable reporting agents to access selected reference data on entities that is available to the ESCB. Such data access is expected to be very beneficial for data quality purposes. However, a similar data sharing for reference data on securities is more difficult to establish due to commercial licensing aspects.

Q1.11 *What is the link between the IReF and the Banks' Integrated Reporting Dictionary (BIRD)?*

A The Eurosystem is cooperating with the banking industry in optimising the organisation of the information stored in banks' internal reporting systems following the logic of an "input layer", which could provide the basis for fulfilling the reporting requirements for statistical, resolution and prudential purposes. This support is provided through the BIRD, which also defines the transformation rules to be applied to banks' input data in order to transmit data to the authorities.

BIRD and IReF are expected to benefit significantly from one another: the more the reporting is incorporated in a single reporting framework, the more effectively the BIRD will support banks. Nevertheless, banks remain fully responsible for organising their internal reporting systems and ensuring the accuracy of their reports to the authorities.

Q1.12 *When will the IReF be implemented?*

A At the current stage the ESCB considers it likely that the IReF could be implemented in 2027. Once the IReF has been implemented, the current reporting is expected to continue in parallel for a limited time to ensure data quality. During the interim phase, the existing regulations would remain in place.

Q1.13 *Will the IReF encompass validation processes of the reports?*

A Yes. The IReF will include a common set of data quality business rules that will replace the existing national validation processes. The CBA results shows a strong support from the banking industry for the publication of validation rules and plausibility checks; see also "[Cost-benefit assessment: reporting schedules, revision policy, approach to derogations and implementation aspects](#)".

Q1.14 *What will be the data transmission format under the IReF?*

A This aspect has not yet been defined.

Q1.15 *How about the security of the data transmissions under the IReF?*

A The ESCB will take all the necessary regulatory, administrative, technical and organisational measures needed to ensure the physical and logical (including electronic and IT) protection of the information, including with regard to the transmission, storage, access and use of the information contained in respondents' individual answers to this questionnaire.

Q1.16 *Will the IReF require the transmission of a full dataset at each submission?*

A The ESCB is currently reflecting on which types of data transmission to consider for the IReF, taking into account the experience of AnaCredit. For further information and to express your view on this matter, please refer to the specific section of the complementary CBA 'Types of data submissions'.

Q1.17 *What is the rationale for including accounting and credit risk data in IReF?*

A The accounting and credit risk measures that are being considered for the IReF are currently covered in AnaCredit, so they do not represent new requirements per se. Please refer to whereas #1 of AnaCredit Regulation, which clarifies that they are important to fulfil the mandate of Eurosystem, ESCB and ESRB (i.e. risk management, financial stability surveillance and macroprudential policy).

In the context of the general long term initiative to integrate statistical, resolution and prudential data, the complementary CBA is proposing, as a first step, an alignment to FINREP solo.

Q1.18 *How do other regulations and standards (e.g. ITS, CRR, IFRS accounting standards) interact with IReF?*

A The IReF aims at aligning the definitions, e.g. in the fields of credit risk and accounting, to the ones already existing in the IFRS, ITS or CRR (e.g. performing status, source of encumbrance, trading book/banking book, default). The process will be supported by the creation of a joint bank reporting committee which will be set up by European authorities to advise on integrating statistical, resolution and prudential data reporting; see also “The Eurosystem Integrated Reporting Framework: an overview”.

Q1.19 *Are you going to ask for the resubmission of past reference dates after the implementation of IReF?*

A The IReF does not seek to ask for the resubmission of past reference dates according to the new scheme after it goes live (2027). Although, a period of parallel reporting is currently being considered to ensure a smooth transition from the national collection frameworks to the IReF.

Q1.20 *Which accounting standards will underpin the reporting of IReF data?*

A While no decision has been taken at this stage, the IReF PO currently aims at an alignment with FINREP solo. In other words, if the reporting agents is subject to the reporting of FINREP solo, its IReF returns will be based on the same underpinning accounting standards – i.e. IFRS or national GAAP, as requested by national law and/or the national competent authority. If the reporting agent is not subject to the reporting of FINREP solo, its IReF returns will most likely be based on the accounting standards used for the preparation of their annual financial statements.

Q1.21 *Will the IReF contain requirements on derivatives?*

A Yes, the IReF would include information on derivatives in order to fulfil the existing needs of MFI balance sheet statistics. The requirements will be covered on an aggregated basis, with the possible exception of the intragroup positions (see also Section 3.2 “Reporting of positions relating to intra-group and FDI Relationships” of [Cost-benefit assessment: content-related topics and technical aspects](#)). The ESCB is also closely monitoring the suitability of the EMIR data collection for the compilation of statistics. In the event that EMIR data would be at the desired level of data quality, it will be assessed whether this dataset may fulfil the existing needs without establishing a dedicated data collection as part of IReF.

Q1.22 *Which level of data quality is aimed at in the IReF?*

A Data quality is an essential element for maintaining public trust in the ECB statistics upon which policy decisions are based; please refer to the [ECB website](#). Under the IReF the ESCB aims at establishing standardised data quality management procedures that will be applied across the ESCB.

Q1.23 *Why is the ESCB considering to collect granular information on intragroup positions?*

A The information is relevant for compiling input for the Locational Bank Statistics of the BIS. Please refer to the CBA that was conducted in 2020-2021 and the analyses published on the ECB website (see Section 3.2 “Reporting of positions relating to intra-group and FDI Relationships” of [Cost-benefit assessment: content-related topics and technical aspects](#)). Whether the information will be captured in the IReF Regulation will depend on the outcome of the matching of costs and benefits.

Q1.24 *The complementary CBA assesses the possibility to collect anonymised data on loans to natural persons. Will you ensure the protection of personal data according to the General Data Protection Regulation (GDPR)?*

A The protection of personal data is of utmost importance for the ESCB. According to the current proposal, loans to natural persons will be collected on an anonymised basis to avoid the identification of such counterparties. The ESCB is currently

assessing internally whether with its legal services this information in connection to other IReF proposals may result into the direct or indirect identification of personal data.

Q1.25 *How does the concept "Protection allocated value eligible for credit risk mitigation under the CRR" relate to "Protection allocated value" used for AnaCredit reporting? Is this aligned to FINREP reporting?*

A The concept "Protection allocated value eligible for credit risk mitigation under the CRR" relates to the protection allocated value according to the rules specified in the CRR for credit risk mitigation purposes. Please refer to Section 4.4 of the complementary CBA for a clarification of how this relates with the "Protection allocated value" used for AnaCredit reporting. As regards the alignment to FINREP solo, please refer to the fourth bullet of Section 6.2 of the complementary CBA (Information on the maximum amount of the collateral or guarantee that can be considered).

Q1.26 *Will the IReF deadlines be aligned to those applied for prudential requirements?*

A The IReF aims at aligning the quarterly deadlines to those of FINREP solo. At the same time, it is noted that the IReF deadlines for the reporting of monthly data will be much stricter in order to fulfil the existing user requirements. The complementary CBA assesses the costs and benefits of various scenario on how the trade-off between accuracy and timeliness can be approached, while guaranteeing the internal consistency of the information reported.

Q1.27 *What will happen to the existing national Central Credit Registers (CCRs) under the IReF?*

A In many EU countries CCRs have been established under national law to fulfil specific national tasks. When the AnaCredit data collection was set out, several NCBs decided to implement its requirements integrated with its CCR. The introduction of the IReF therefore raises the question as of how the existing CCR data collections will evolve, and whether this will result in double-reporting with the IReF.

In general, the IReF aims at developing an extended technical layer that will in principle offer the possibility of describing country-specific requirements consistently with the IReF. While the exact scope of the extended technical layer is yet to be defined, such an approach is intended to allow, over time, the semantic integration of national CCRs with the IReF. In addition, specific IReF proposals, like the one relating to the collection of granular anonymised information on loans to natural persons, would limit the double-reporting, as CCR information that is not part of IReF could be collected via sets of complementary reports.

At the same time, it should be noted that national CCRs often feature specific national characteristics – e.g. in terms of reporting population, instrument scope, coverage of personal data under the GDPR, reporting schedules, etc and will continue being legislated nationally. So their evolution under the IReF needs detailed analyses. In its effort to reduce reporting burden, the ESCB has initiated an assessment of such constraints in the light of the opportunities offered by the IReF.

2. Responding to the questionnaire

Q2.1 *I am representing a credit institution (or other deposit-taking corporations) and I am participating to the complementary CBA questionnaire also on behalf of other deposit-taking corporations resident in the same country.*

- *Shall I include my own institution in the list to be provided in the Section “**Information on the Respondent**”?*
- *In case the host NCB has already prefilled the list in the Section “**Information on the Respondent**” and I spot a mistake or an update is needed, may I change the list?*

A Please notice that this information is extremely important as it will be used when analysing the results of the survey. The list shall not include your own institution and you may perform any amendments that are necessary until the submission of the survey. In particular, in the web-survey you will see the preselection and you will be allowed to modify it. At the bottom of the page there will also be a summary of the list of institutions being represented that you will be asked to confirm.

Q2.2 *I am representing a national banking association (service provider) and my organisation has been invited by its host NCB to participate to the survey. Am I supposed to answer on behalf of my organisation or in representation of its members (clients)? How shall I answer the questions in the Section “**Information on the Respondent**”?*

A The host NCB should have preliminarily clarified whether your organisation is invited to participate to the complementary CBA questionnaire on its own account, in representation of its members (clients), or both. It may also happen that the host NCB is expecting multiple answers on behalf of the members (clients) of your organisation – e.g. small vs large banks.

Please respond to the questions in the Section **“Information on the Respondent”** accordingly, including in each of your answers the relevant list of members (clients) of your organisation that you are representing, if you are participating on their behalf.

In case you have been invited in both capacities, two invitations must have been generated. Please complete the Section **“Information on the Respondent”** in each feedback accordingly.

Q2.3 *I am representing a national banking association (service provider) and my organisation has been invited by its host NCB to participate to the survey on behalf of (some of) its members. In case the host NCB has already prefilled the list in the Section **“Information on the Respondent”** and I spot a mistake or an update is needed, may I change the list?*

A Yes, you may perform any amendments that are necessary to the list until the submission of the survey. In particular, in the web-survey you will see the preselection and you will be allowed to modify it. At the bottom of the page there will also be a summary of the list of institutions being represented that you will be asked to confirm.

Q2.4 *I am representing a subsidiary of a euro area credit institution and both my institution and its parent institution have been invited by their host NCBs to participate to the survey. What procedure shall I follow to ensure that the answer provided by the parent institution is used also for my institution?*

A Indeed, you have the option to not answer to the questionnaire and let your NCB re-use the answer of the parent institution. After ensuring that the parent institution is indeed responding to the questionnaire, you should then inform via e-mail your host NCB that you will use this option. If the parent institution is resident in the same country, it should also indicate in the Section **“Information on the Respondent”** that it is providing an answer on behalf of your institution by adding it to the provided

list. If the parent institution is resident in another euro area country, it should indicate this to its host NCB via email.

Q2.5 *I am representing a branch of a credit institution resident in another euro area country and both my institution and its head office have been invited by their host NCBs to participate to the survey. Can the answer provided by the head office be used also for my institution?*

A Yes, you have the option to not answer to the questionnaire and let your NCB re-use the answer provided by the head office to its own host NCB. After ensuring that the head office is indeed responding to the questionnaire, you should then inform via e-mail your host NCB that you will use this option. The head office will not be able to indicate in the Section “**Information on the Respondent**” that it is providing an answer on behalf of your institution, but your host NCB will take the answer into account when compiling national results.

Q2.6 *How shall I treat questions that are not applicable to my institution?*

A It is indeed the case that some questions may not be relevant for your institution. In such cases respondents should assess the costs and benefits that they would expect to materialise should the underlying activity become relevant.

Q2.7 *Is the participation on the questionnaire mandatory? And in case we did not participate in the questionnaire, would we still have access to its results and conclusions?*

A The participation to the questionnaire is not mandatory but we encourage the participation of all credit institutions and deposit-taking corporations other than credit institutions. Please contact your NCB as soon as possible in case you wish to participate. The aggregated results and conclusion of the questionnaire will be published on the ECB website.

Q2.8 *In the complementary CBA, should the assessment of the costs and benefits in section 5.2 “Reporting schedules” be performed considering that the quarterly deadlines would be aligned to FINREP?*

A Yes. As specified in the questionnaire, the costs and benefits for the proposed scenarios should be evaluated assuming that the quarterly transmissions would be aligned with the EBA ITS deadline for FINREP. Please consider that our statement is slightly misaligned with Figure 5.1 of the cCBA. We invite the respondents to assume that when a quarterly frequency is shown (scenario 1,2 and 3), the deadline should be considered T+30 WDs roughly corresponding to T+42 calendar days – i.e. the EBA ITS FINREP deadline.

Q2.9 *Does the proposal in Section 4.5, “Governing law of loan agreements” affect all granular credit data, including the instruments extended to natural persons?*

A The proposal in section 4.5 "Governing law on loan agreements" should be assessed taking in consideration only granular loans *to legal entities*.

3. Technical questions on the on-line survey

Q3.1 *Can I download my answers directly from the Epsilon environment?*

A Yes. After the submission of the survey you will receive instructions on how to download your answers directly in the browser. Please notice that the PDF exporter may not work in your browser, so please ensure that you export the responses to QXML by clicking the button ‘QUXMLPDF export’.