

# Amending certain financial services and investment support Regulations as regards certain reporting requirements

2023/0363(COD) - 02/02/2024 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Economic Affairs adopted the report by Othmar KARAS (EPP, AT) on the proposal for a regulation of the European Parliament and of the Council amending Regulations (EU) No 1092/2010, (EU) No 1093/2010, (EU) No 1094/2010, (EU) No 1095/2010 and (EU) 2021/523 as regards certain reporting requirements in the fields of financial services and investment support.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

## *Streamlining of reporting and disclosure requirements*

The amended text stressed reporting and disclosure requirements play a key role in ensuring proper monitoring and correct enforcement of legislation. However, it is important to streamline those requirements, in order to ensure that they fulfil their intended purpose, to limit the administrative burden and to avoid undue duplication, not least for the regulatory and supervisory authorities of smaller financial jurisdictions. Reporting and disclosure requirements can also impose a disproportionate burden on entities, particularly on small and medium-sized enterprises or micro-enterprises.

## *Scope*

Members propose that the proposed amendments should also cover anti-money laundering authorities, resolution authorities and the supervisory functions of central banks. Accordingly, amendments are proposed to Council Regulation (EU) 1024/2013, Regulation (EU) 806/2014 and the Regulation establishing the Anti-Money Laundering Authority.

In order to foster the exchange of information across the entire financial sector, it is proposed that all authorities responsible for supervision in the financial sector, including the European Systemic Risk Board (ESRB), the European Supervisory Authorities (ESAs), the Anti-Money Laundering Authority (AMLA), the Single Supervisory Mechanism (SSM), the Single Resolution Board (SRB), as well as all respective competent, supervisory and resolution authorities in the Member States, should be included in the scope of this amending Regulation.

## *Review of the reporting requirements*

The European Supervisory Authorities and the European Anti-Money Laundering Authority should regularly review the reporting and disclosure requirements and propose, where appropriate, to streamline and remove redundant, obsolete or disproportionate requirements in relevant regulatory and implementing technical standards. The European Supervisory Authorities should coordinate this work via the Joint Committee of the European Supervisory Authorities.

In addition, peer reviews of competent authorities should also be conducted to improve the effectiveness and the degree of convergence of those requirements. Both the tasks under the common supervisory culture as well as the peer reviews should be carried out on a standing basis, for which more human and material resources should be allocated as necessary.

## ***Establishment of a Single Integrated Reporting System***

The amended text stressed the need to enforce the ‘report once’ principle more consistently in the Union. All authorities responsible for supervision in the financial sector should only request information from financial institutions or other reporting entities if they have not already reported that information to other authorities. If information has already been reported to an authority, other authorities, should be able to request that information from that authority directly as opposed to collecting the same information, thereby putting an end to so-called double reporting.

All authorities responsible for supervision in the financial sector in the Union should establish a Single Integrated Reporting System. That system should include a common data dictionary that ensures consistency and clarity of reporting requirements and data standardisation, a joint repository of requested and obtained data, a central data space for efficient data collection and exchange as well as a permanent single contact point for entities to indicate double, obsolete or redundant reporting and disclosure requirements.

## ***ESAs opinions***

The European Supervisory Authorities and the European Anti-Money Laundering Authority should therefore not only review regulatory and implementing technical standards, but should also provide opinions on ongoing ordinary legislative procedures and legislative acts already in force.

## ***Detection of systematic risks***

In order to facilitate the detection, monitoring, prevention and mitigation of systemic risks to financial stability, the ESRB should have access to relevant information from the ESAs and the ECB by default. In that way, systematic risks could be better detected *ex ante*, as opposed to *ex post*, due to more rigorous request and sharing procedures.

## ***Use of digital technology***

The European Supervisory Authorities should assess policy options to further integrate reporting processes from a procedural and content perspective. They should duly assess opportunities arising from an increase in the use of digital technology to promote effective and efficient formats that embrace metrics, methods, and parameters, which will foster the competitiveness of the financial sector.