

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

2023/0363(COD) - 12/03/2024 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 580 votes to 2, with 32 abstentions, a legislative resolution 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 European Parliament's position adopted at first reading under the ordinary legislative procedure amends the proposal as follows:

## *Streamlining of reporting and disclosure requirements*

Financial institutions and other entities active on financial markets are required to report a wide range of information to enable Union and national authorities overseeing the financial system to monitor risks, ensure financial stability and market integrity, and protect investors and consumers of financial services in the Union.

According to the amended text, 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.

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.

Facilitating the sharing and reuse of information collected by the authorities responsible for supervision in the financial sector, while safeguarding data protection, professional secrecy and intellectual property, should reduce the burden on reporting entities and on authorities by avoiding duplicative requests.

## *Scope*

The proposed amendments should also cover anti-money laundering authorities, resolution authorities and the supervisory functions of central banks. Accordingly, amendments are introduced with a view to amending 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.

## *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.

By 2 years from the date of entry into force of this amending Regulation, all authorities responsible for supervision in the financial sector in the Union should establish a Single Integrated Reporting System. This system should include:

- a common data dictionary to ensure consistency and clarity of reporting requirements and data standardisation;
- a joint repository of reporting and disclosure requirements, of the descriptions of the collected data and of the authorities that hold it;
- a central data space including the technical design for collecting and exchanging information; and
- a permanent single contact point for entities to indicate instances of double reporting, and redundant or obsolete reporting or 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** in order to:

- remove redundant or obsolete reporting and disclosure requirements in Union law or the national transposition of Union law by Member States;
- ensure consistent reporting and disclosure requirements across sector-specific, as well as cross-sector, legislation;
- ensure proportionality in reporting and disclosure requirements with respect to the nature, size and complexity of the reporting entity;
- ensure that complying with reporting and disclosure requirements are commensurate with the added value to fulfilling the tasks and objectives of the Authority.

## *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.