



# Strategy on supervisory data in EU financial services

Workshop on machine readable and executable reporting

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# Outline

- Welcome
- Context: Strategy on supervisory data in EU financial services
- Machine readable and executable reporting: study and next steps
- Today's agenda

# Supervisory data strategy: Objectives

- Modernise and simplify EU-level supervisory reporting
  - deliver accurate, consistent, and timely data to supervisory authorities at EU and national level
  - minimise the aggregate reporting cost and burden for all parties
  - facilitate digital transformation in data collection and analysis

[Strategy on supervisory data in EU financial services](#), COM(2021) 798 final

# Approach

- Strategy sets out a broad implementation framework
    - identifies strategic objective, overall approach, and key ‘building blocks’
  - Implementation phase in cooperation with other authorities and industry
  - A balanced and gradual approach
    - targeted sectoral improvements
    - towards integrated reporting within the sectors
- ⇒ prepare ground for more far-reaching, cross-sectoral improvements

# Targeted/sectoral measures

- Introduce improvements in a range of areas as part of regular legislative review process, e.g.:
  - removing identified overlaps or inconsistencies
  - removing redundant or outdated reporting requirements
  - streamlining data flows between supervisory authorities
  - where appropriate, strengthening the proportionality of reporting requirements
- towards integrated reporting within the sectors via mandates to the ESAs
  - EBA feasibility study on integrated reporting in banking sector
  - mandate for EIOPA in Solvency II and for ESMA in AIFMD/UCITS and MiFIR reviews

# Horizontal building blocks

Consistent and standardized data

- Common data dictionary

Data sharing and reuse

- Common supervisory data space

Improved design of supervisory reporting requirements

Joint governance

⇒ Implementation will enable a more effective and efficient use of modern technologies, including RegTech and SupTech

# Why machine readable and executable reporting?

- stakeholders call for standardised terminology and more consistent and unambiguous drafting of reporting requirements
- natural language currently used to write legislation is very flexible but can be vague and ambiguous
- using machine executable language for reporting requirements provides:
  - standardised terminology
  - no ambiguity
  - straight-through processing from the reporting requirement to reported data

# Benefits and challenges

- Potential benefits are substantial:
  - reduced costs of interpretation of requirements for industry
  - better data comparability and quality for authorities
  - easier implementation of changes to reporting requirements for all
- Transition implies challenges:
  - development of technical infrastructure
  - building up required skills
  - implementation costs
  - adapted legislation
- Aim to build up technical expertise and regulatory capacity in these areas  
→ proof-of-concept project is a start



# Today's agenda

09:15 – 09:40	Welcome and introduction – DG FISMA
09:40 – 10:40	Presentation - Proof-of-concept study on machine readable and executable reporting (PwC)
10:40 – 11:00	Presentation – Digitisation of financial instruments and regulatory reporting as machine executable code (ISDA)
11:00 – 11:20	Presentation – Machine executable standards for derivatives reporting (DSB)
11:20 – 11:30	Break
11:30 – 12:50	Panel discussion – Taking machine readable and executable reporting from concept to reality
12:50 – 13:00	Closing remarks – ESMA

# Thank you!