Deutsches Aktieninstitut

Response of Deutsches Aktieninstitut on the EU Commission`s „Fitness check" on EU Supervisory Reporting Requirements

Alleviations of reporting obligations for non-financial companies needed!

Deutsches Aktieninstitut's response to the EU Commission consultation on a fitness check of supervisory reporting requirements, 14 March 2018.

Introduction

Deutsches Aktieninstitut welcomes the EU Commission`s consultation on a fitness check of supervisory reporting requirements under European financial markets regulation. The consultation aims to gather evidence on the cost of compliance, as well as on the consistency, coherence, effectiveness, and added value of supervisory reporting requirements.

Member companies of Deutsches Aktieninstitut have already raised the issue of being subject to duplicative, burdensome and sometimes inconsistent reporting requirements. We do see the consultation on the one hand as an opportunity to relieve European companies from burdens that create unnecessary bureaucracy and costs. On the other hand, we also see room for improvement in terms of data quality, which would ultimately serve objectives such as ensuring financial stability and market integrity.

With an eye to the future, Deutsches Aktieninstitut stresses the importance that the results of this consultation need to be embedded in ongoing and future efforts to simplify and streamline EU reporting requirements. This relates in particular to reporting requirements under EMIR, its review currently being discussed by the European Institutions.

In this context, Deutsches Aktieninstitut points to the following three issues that need to be improved/resolved:

- Ex ante definition of indicators: Sets of standardised indicators, analysis and reports that authorities use for carrying out their supervisory activities need to be defined ex ante. This will allow to streamline the request for data from market participants instead of requiring massive amounts of data with little relevance.

- Intragroup transactions: Non-financial companies need to be relieved from the obligation to report intragroup transactions as those transactions do not add to systemic risk, nor jeopardize market integrity or investor protection.

- Assignment of roles and responsibilities: Involving non-financial companies additionally to financial companies to a large extent in EU supervisory reporting leads to a very complex reporting framework and to disproportionate costs for non-financial companies. The EMIR review should therefore be used to require financial companies to be the sole counterparty responsible for reporting.

This position paper replicates Deutsches Aktieninstitut`s response to the online consultation of the EU Commission on a fitness check on supervisory reporting.[1] For the sake of keeping this paper short and easily to read, parts on which Deutsches Aktieninstitut has not provided any reply in the online consultation document have been omitted.

[1] See https://ec.europa.eu/info/consultations/finance-2017-supervisory-reporting-requirements_en.

I. Assessing whether the supervisory reporting requirements are fit for purpose

Question 1.1:

Taken together, to what extent have EU level supervisory reporting requirements contributed to improving the following:

i) financial stability (i.e. monitoring systemic risk)

- Very significantly
- Significantly

X **Moderately**

- Marginally
- Not at all
- Don't know

Please elaborate and provide examples to justify your answer.

Whilst EU Level supervisory reporting requirements are important for supervisors to obtain an overview of market activities and to detect potential risks for financial stability, we nevertheless have observed on several occasions that the approach in Financial Markets Regulation in the aftermath of the financial crisis has been to require each and every single bit of data to be submitted by market participants-independently of its usefulness for assessing risks related to financial stability.

This holds in particular true for financial derivatives reporting. Main factors explaining the moderate results obtained so far by supervisory reporting in term of financial stability (i.e. monitoring systemic risk) are:

- <u>Unclear definition of indicators and analysis for systemic risk monitoring.</u>

  Requirements for financial derivatives reporting were structured before having clarified in detail key indicators and sets of analysis to be performed in view of the regulatory objective of systemic risk monitoring. The result is that the requested dataset on financial derivatives is oversized in order to cover all potential uses with little results in term of relevance. In order to increase relevance and effectiveness of supervisory reporting it is important to define ex ante a set of standardised indicators, analysis and reports for systemic risk monitoring that Authorities will use for carrying out their controlling activities. Such analysis/reports sets will allow for focusing and streamlining data requested for supervisory reporting (e.g. to determine which level of market risk a company is posing to a specific market, the net open position during trading hours and at market closure is more than enough, instead of rebuilding the same information from a long list of single trades).

- Lack of relevance of intra-group transactions

  A significant part of data currently reported has no relevance in view of financial stability: internal transactions, especially the ones used by NFCs for centralising treasury or commodity hedging functions within large international groups are useless for monitoring systemic risk.

  Such internal transactions have no relevance in terms of systemic risk. There is no risk of a counterparty defaulting on internal exposures and in terms of transparency, they have no influence or impact on external markets. Internal transactions reporting is determining a disproportionate cost/burden to the whole system for covering a marginal target with very disputable results and little, if any, added value.

- Efficiency and effectiveness negatively impacted by current reporting approach under EMIR

  Another example is the current reporting regime under EMIR, under which both counterparties are required to report essentially the same deal. This has led to massive amounts of duplicative and often - due to diverging reporting fields of trade repositories- mismatching data in the data storage of supervisors. "Noise" has been created in the system by having too much data at the disposal of supervisors, which needs to be sorted and analysed in terms of its actual relevance for assessing risks for financial stability. The legislator should rather pursue to obtain better data quality than seeking to receive maximum quantity of data. Thus, we would favour to change the system to a reporting regime, where relevant "golden" data is reported by only one of the transaction partners.

ii) market integrity (i.e. surveillance of market abuse and orderly functioning of the markets)

- Very significantly
- Significantly

X Moderately

- Marginally
- Not at all
- Don't know

Please elaborate and provide examples to justify your answer.

There is no clear answer on whether the recent amendments to the Market Abuse Regulation have really contributed to market integrity and to what extent. This is due to both the short period of time after the amendments have taken effect and to the sometimes ambivalent nature of the amendments themselves. One the hand it can be argued that the extending the scope of the MAR to benchmark manipulation and further instruments may indeed increase market integrity. On the other hand the following has to be recognised:

- The "old" MAD regime already harmonised the pivotal elements of the market abuse regime, in particular the prohibition of inside trading and market manipulation across Europe. The amendments of the MAR thus have to be evaluated against this background, so that "improvements" (if there any) will likely rather materialise at the margin.

- The "new" MAR regime increased bureaucracy for listed companies and non-financial companies in the fields of publication of insider information, compiling insider lists and notify managers' transactions which has not contributed to market integrity and investor protection from our point of view. There are indeed examples of reduced market integrity (and the risk of confusing investor) resulting from the provisions.

  For example, according to the "new" MAR a number of transactions have to notified by persons discharging managerial responsibilities (PDMR) that - by definition - cannot signal to other market participants because the PDMR is completely passive in the respective transaction (Art. 19). This rather confuses market participants than helping them to take efficient investment decisions. Another example is that issuers will have to make public an inside information if market rumours touch this information (Art. 17). This in effect may "destroy" the possibility for the issuers to delay sensible information, in particular in "M&A"-processes, and rather makes abusive spreading of rumours more attractive.

- The “new” MAR regime has - according to a recent ESMA Q&A - widened the scope of the STOR regime to non-financial companies which are part of transactions in financial instruments. A typical example is the use of OTC derivatives to hedge against currency, interest rate and commodity price risks. This forces non-financial companies all over Europe to implement new compliance mechanism although they are only users of financial services not providers. This will have no positive effect on market integrity for lack of realistic scenario of abuse, hence it only creates additional bureaucracy.

iii) investor protection (i.e. ensuring proper conduct by firms to ensure that investors are not disadvantaged/negatively impacted)

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all

X **Don’t know**

Please elaborate and provide examples to justify your answer.

Please see above our answer to (ii). In essence, we rather have identified examples of provisions that increase bureaucracy for listed companies without contributing to market integrity and investor protection, sometimes even the opposite.

Question 1.2:

Are all of the existing supervisory reporting requirements relevant for maintaining financial stability and upholding market integrity and investor protection?

- Yes, they are all relevant
- Most of them are relevant
- Some of them are relevant

X **Very few are relevant**

- Don’t know

If you do not think that all of the requirements are relevant, please provide specific examples of any requirements which in your view are superfluous and explain why you believe they are not necessary.

As mentioned above, Deutsches Aktieninstitut is of the opinion that reporting requirements were often structured before having clarified in detail key indicators and sets of analysis to be performed in view of the regulatory objective. Massive data sets are currently required from market participants in order to cover all potential uses with little results in term of relevance. In order to increase relevance and effectiveness of supervisory reporting, it is important to define ex ante a set of standardised indicators, analysis and reports for the objectives that Authorities will use for carrying out their controlling activities. Such analysis/reports sets will allow for focusing and streamlining data requested for supervisory reporting.

An example is the obligation to report internal transactions. These transactions do not add to systemic risk, upholding market integrity or investor protection. They rather help to improve the risk management of non-financial companies. We recommend to abolish the reporting requirement for intra-group transactions, at least for non-financial companies not exceeding the clearing thresholds.

Question 1.3:

Is there information that should be reported but which currently is not (i.e. there are reporting requirements that should be added)?

- Yes

X **No**

- Don't know

Question 1.4:

To what extent are supervisory reporting requirements across different EU level reporting frameworks coherent (e.g. in terms of scope, content, methodology, timing/frequency of submission, etc.)?

- Fully coherent
- Mostly coherent (a few or minor inconsistencies)
- Somewhat coherent (numerous inconsistencies)
- Not coherent (mostly or totally inconsistent)

X **Don’t know**

Question 1.5:

To what extent is supervisory reporting in its current form efficient?

- Very efficient
- Quite efficient

X **Rather inefficient**

- Very inefficient
- Don't know

If you think that supervisory reporting is not fully efficient, please provide specific examples and explain why you believe it is not efficient.

As explained above, the legislative approach in the aftermath of the financial crisis has been to reach out to the market and require as much data to be submitted as possible. In the course of this consultation, we see a window of opportunity to streamline reporting requirements and assess, which data is really necessary to accomplish the tasks entrusted to supervisors. It would release on the one side burdens for companies and on the other side increase the data quality.
Hereunder you will find an example of the moderate efficiency level of current supervisory reporting requirements that relates to reporting in the case of derivatives transactions:

<u>Supervisory reporting on financial derivatives</u>
In the aftermath of the financial crisis, the progressive entering into force of the different pieces of regulation composing the entire legislative framework developed on the basis of G8 guidelines, namely REMIT, EMIR, MAD II/MAR and MiFID II/MiFIR, has stratified different layers of supervisory reporting focused on financial derivatives. Though some of the reporting are meant to fulfil different regulatory targets, in the end the information base is substantially the same, while systems, processes, formats and stakeholders are somehow different, allowing for a significant scope of harmonization and simplification in view of costs and burden reduction, especially for corporates using financial derivatives for hedging, that can be considered as final users of financial derivatives and therefore less involved in the supervisory reporting.

<u>Harmonisation of roles and responsibilities</u>
A relevant part of the complexity and of the lack of effectiveness and efficiency of current supervisory reporting on financial derivatives is due to the very broad perimeter of not specialised stakeholders active on reporting. Involving in the reporting the full range of NFCs that are eg using financial derivatives for hedging (i.e. the “Buy Side” of financial derivatives), leads on one side to a very complex environment, where the majority of the active stakeholders is represented by companies without specific background on financial processes/standards, and on the

other side to a disproportionate cost/burden allocated to companies, that are merely final users of products bought for legitimate risk management objectives.

Question 1.6:

How well are the supervisory reporting requirements adapted to developments in the fields of modern information and communication technologies (ICT) and digital processes?

- Very well
- Fairly well
- Not very well
- Not at all

X **Don't know**

Question 1.7:

To what extent has the adoption of supervisory reporting requirements at EU level facilitated supervisory reporting in areas where previously only national requirements existed?

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all
- It has made supervisory reporting more complicated

X **Don’t know**

Question 1.8:

To what extent have options left to Member States in terms of implementing EU level supervisory reporting requirements (e.g. due to their adoption as Directives rather than Regulations) increased the compliance cost?

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all

X **Don’t know**

Question 1.9:

Are there any challenges in terms of processing the data, either prior to (i.e. within the reporting entity) or subsequent to (i.e. within the receiving/processing entity) it being reported?

X **Yes**

- No
- Don't know

If you answered 'yes', please elaborate and provide specific examples.

Members of Deutsches Aktieninstitut have experienced that due to double sided reporting in its current form, issues in processing the data delivered to trade repositories have occurred. Differing reporting formats, issues of coordination between counterparties or diverging time stamps are just some examples of downsides of double sided reporting on the reporting entity side that lead to challenges in terms of processing the data. On the receiving/processing entity side, it can be observed that trade repositories require different templates for reporting purposes, leading to a decline of matching quota and to a decrease in data quality for supervisors. This applies in particular to cases, where the two counterparties report the respective transaction to different trade repositories. Against the background of those experiences, we strongly support the EU Commissions` proposal in EMIR REFIT to require the financial counterparty to report both for itself and on behalf of the non-financial counterparty. This would remedy the above mentioned challenges to a great extent and would consequently lead to greater data quality provided for supervisors.

Question 1.10:

Are there any negative environmental and/or social impacts related to supervisory reporting stemming from EU legislation?

- Yes, both environmental and social
- Yes, environmental only
- Yes, social only
- No

X **Don't know**

II. Quantifying the cost of compliance with supervisory reporting requirements

Question 2.1:

Is supervisory reporting in its current form unnecessarily costly for its intended purposes (i.e. ensuring financial stability, market integrity, and investor protection)?

- X **Yes**
- No, it is at an appropriate level
- Don't know

As shown above, duplicative and unnecessary reporting occurs under current EU supervisory reporting regimes. As a consequence, unnecessary costs with no added value for the goals of ensuring financial stability, market integrity and investor protection are created.

Question 2.2:

To what extent have the following factors contributed to the excessive cost of supervisory reporting? Please indicate the relevance of the following factors by giving each a rating from 0 to 4 (4: contributed greatly; 0: not contributed at all).

i) Too many requirements **4**

ii) Need to report under several different reporting frameworks **3**

iii) Need to report to too many different entities **3**

iv) Lack of interoperability between reporting frameworks
and/or
between receiving/processing entities or supervisory authorities **3**

v) Need to report too frequently **3**

vi) Overlapping requirements **3**

vii) Redundant requirements **3**

viii) Inconsistent requirements **3**

x) Unclear/vague requirements **3**

xi) Insufficient use of (international) standards **2**

xii) Need to introduce/update IT systems **4**

xiii) Need for additional human resources **4**

xiv) Too many/too frequent amendments in the relevant legislation **3**

xv) Lack of a common financial language **1**

xvi) Insufficient use of ICT[2] **1**

xvii) Insufficient level of automation of the reporting process[3] **1**

xviii) Lack of (adequate) technical guidance/specifications **1**

xix) Other (please specify and provide a ranking from 0 to 4)

Question 2.3:

To what extent have the following types of legislative/regulatory requirements been a source of excessive compliance costs in terms of supervisory reporting? Please indicate the relevance of the following types of legislative/regulatory requirements by giving each a rating from 0 to 4 (4: very significant source of costs; 0: not at all a source of costs).

i) Supervisory reporting requirements imposed by EU Regulations and/or Directives **4**

ii) Different Member State implementation of EU financial legislation, resulting in diverse national supervisory reporting requirements for the same financial entity/product **4**

iii) National supervisory reporting requirements in addition to those in EU legislation for a specific financial entity/product **2**

iv) Other supervisory reporting requirements in addition to those in EU legislation for a specific financial entity/product (please specify) Please elaborate and provide examples.

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[2] Use of ICT is understood as presenting data in an electronic format rather than on paper and/or submitting it using electronic means (e.g. by email, via an online template) rather than by post or in person.

[3] Automation is understood as reducing or even fully eliminating human intervention from the supervisory reporting process.

As explained above, the progressive entering into force of the different pieces of regulation, namely REMIT, EMIR, MAD II/MAR and MiFID II/MiFIR, has stratified different layers of supervisory reporting focused on financial derivatives. Though some of the reporting regimes are meant to fulfil different regulatory targets, in the end the information base is substantially the same, while systems, processes, formats and stakeholders are somehow different. This has led to extensive reporting costs for corporates that had to establish reporting systems for compliance with the various pieces of legislation. Also, different implementation of said EU financial regulations on Member State level substantially added costs for corporates. Our Germany based members eg need to comply with the additional requirement for auditors to effectively assess compliance with EMIR obligations- a requirement that doesn’t exist for corporates in many other Member States.

Question 2.4:

Does the obligation to use structured reporting (i.e. templates or forms in which specific data elements to be reported are listed) and/or predetermined data and file formats (i.e. (i) the exact way in which the individual data elements are to be encoded or (ii) the file format in which the information to be reported is exchanged/submitted) for supervisory reporting increase or decrease the compliance cost of supervisory reporting?

- X **Increases the compliance cost**
- Decreases the compliance cost
- Does not impact the compliance cost
- Don't know

Please provide specific examples to substantiate your answer.

Whilst in general structured reporting can indeed be a means to decrease reporting costs, we however want to raise awareness to regulatory developments in this context which effectively will rather increase compliance costs for companies:

According to Art. 4 para. 7 of the TD issuers have to file their annual reports in an electronic format by 2020. ESMA has developed a RTS which will specify this electronic format. ESMA intends to oblige preparers to file their consolidated financial IFRS statements in the so-called XBRL format. This proposal is made despite massive criticism by issuers across Europe and even though there is no indication for a clear market demand for XBRL-reporting. If ESMA’s proposal was accepted in the upcoming discussions, issuers would face massive additional compliance costs as well as legal uncertainty. On the other hand potential benefits for investors are negligible, if there are any. We therefore do not understand why ESMA does not advocate the easiest and most efficient solution by proposing the electronic publication of PDF-report.

Question 2.5:

Please specify the supervisory reporting frameworks to which you are subject (or, in the case of entities receiving and/or processing the data or supervisory authorities, which you deal with or make use of) and estimate the cost (in monetary terms and as a percentage of operating cost) for your entity of meeting supervisory reporting requirements (or, in the case of entities receiving and processing the data or supervisory authorities, of processing the data).

The following estimates are referring to the EMIR reporting framework, which most of the members of Deutsches Aktininstitut as non-financial companies are subject to. The burden for NFCs to report their trades is indeed significant. Our member companies estimate the compliance costs for the ongoing reporting obligation up to 500,000 Euro a year per company. Even for smaller companies the annual costs for the reporting ranges from 20,000 Euro p.a. upwards. In addition, depending on the risk management procedures of the companies the internal transactions amount up to 100 per cent of the external transactions executed with banks. As intra-group transactions require reports from both counter-parties, e.g. the central treasury unit and the subsidiary, inclusion of intra-group transactions can increase the transactions to be reported up to three times.

Furthermore, according to an industry study based on an ISDA survey (estimates and available information in July 2016, http://www.eact.eu/wordpress/wp-content/uploads/2016/12/EACT-EMIR-review-Corporate-end-user-comments-EC-non-papers-Dec16.pdf), EMIR’s current dual-sided reporting regime has led to significant unforeseen costs for corporate end-users – with ongoing annual reporting burdens for European companies estimated at €2.4bn-€4.6bn.

III. Identifying possible ways to simplify and streamline supervisory reporting

Question 3.1:

Please indicate which of the following could reduce the compliance cost while maintaining a sufficient level of supervisory reporting to ensure that the intended objectives are achieved. Please select all relevant answers that apply.

	Short term	Long term	Don't know
o reduction of the number of data elements	X		
o clarification of the content of the data elements	X		
o greater alignment of reporting requirements	X		
o greater standardisation/use of international standards			X
o development of a common financial language			X
o ensuring interoperability between reporting frameworks and/or receiving/processing entities or supervisory authorities		X	
o greater use of ICT			X
o greater automation of the reporting process			X
o other (please specify):			

Please elaborate, in particular explaining how you believe the answer(s) you selected could be achieved in practice.

Comment: for the respondent it remained unclear whether the term "short term"/"long term" also refers to the importance of addressing the issues mentioned under the bullet points above. Furthermore, the respondent had difficulties to draw a distinction between "greater use of ICT" and "greater automation of the reporting process", as it seems to be the same.

Concerning the development of a common financial language (i.e. a set of harmonised definitions of the terms used in supervisory reporting):

Question 3.2:

To what extent would the development of a common financial language help reduce the compliance cost of supervisory reporting?

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all

X **Don't know**

Question 3.3:

To what extent would the development of a common financial language help improve the management (i.e. reporting or processing) of supervisory data required to be reported?

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all

X **Don't know**

Question 3.4:

Are there any prerequisites for the development of a common financial language?

- Yes
- No

X **Don't know**

Question 3.5:

Are there any obstacles to the development of a common financial language in the short term (i.e. 2 years or less)?

- Yes
- No

X **Don't know**

Question 3.6:

To what extent would ensuring interoperability between reporting frameworks and/or receiving entities help reduce the compliance cost of supervisory reporting?

X **Very significantly**

- Significantly
- Moderately
- Marginally
- Not at all
- Don't know

Please elaborate.

Not only between the different sets of EU Financial Markets Regulation, interoperability between reporting frameworks and/or receiving entities very significantly help reduce the compliance cost of supervisory reporting. We also raise awareness to the need to try to achieve interoperability between EU reporting regimes and reporting regimes of third countries jurisdictions. European multinational companies are worldwide subject to different pieces of reporting regimes. Compliance costs would be significantly reduced if greater alignment between the different regimes were to be ensured.

As example can be stated the reporting regime under EMIR. The intended relief for EU companies in terms of reporting costs can only be achieved, if third country situations are also addressed. The EU Commission`s proposal in EMIR REFIT to require Financial Counterparties to report derivatives transactions with Non-Financial Counterparties for itself and on behalf of Non-Financial Counterparties, doesn’t cover transactions with third-country Financial Counterparties. The burden relief for Non-Financial Counterparties from the reporting obligation is therefore limited. We suggest to introduce additional provisions stating that third country Financial Counterparties remain responsible for reporting if the third country jurisdiction is deemed equivalent for reporting purposes. In case the third country jurisdiction is not equivalent, we recommend to provide the possibility for third country Financial Counterparties to register in an EU wide register for reporting purposes only.

Question 3.7:

To what extent would ensuring interoperability between reporting frameworks and/or receiving entities help improve the management (i.e. reporting or processing) of supervisory data required to be reported?

- X **Very significantly**
- Significantly
- Moderately
- Marginally
- Not at all
- Don't know

Please elaborate.

Given the interconnected and international nature of financial markets there is little doubt that interoperability between reporting frameworks and/or receiving entities can help to improve very significantly the management (i.e. reporting or processing) of supervisory data required to be reported.

Question 3.8:

Are there any prerequisites for introducing greater interoperability between reporting frameworks and/or receiving entities?

- **X Yes**
- No
- Don't know

If you answered 'yes', please elaborate and provide specific examples.

An extensive redefinition of data fields, or more detailed rules on how trade repositories should capture and store reported data could have positive and negative consequences at the same time. While this would enhance data quality on a market-wide scale, it might also lead to substantial (and expensive) redefinitions of data fields for the respective customers of the repositories. We deem the proposal of the EU Commission in EMIR REFIT to oblige financial counterparties to report derivatives transactions both for itself and on behalf of the non-financial counterparty as a more proportionate way to cope with the issue of mismatching data/lack of interoperbility on receiving entity level. Since the financial counterparty shall be the sole counterparty responsible for reporting, issues of interoperability between receiving entities would be pre-empted. At the same time, it would prevent that companies would have to burden costs due to a large re-definition of data fields.

Question 3.9:

Are there any obstacles to introducing greater interoperability between reporting frameworks and/or receiving entities in the short term (i.e. 2 years or less)?

- Yes
- No
- **X Don't know**

Concerning greater use of ICT in supervisory reporting:

Question 3.9:

To what extent would greater use of ICT help reduce the compliance cost of supervisory reporting?

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all

X **Don't know**

Question 3.10:

To what extent would greater use of ICT help improve the management (i.e. reporting or processing) of supervisory data required to be reported?

- Very significantly
- Significantly
- Moderately
- Marginally
- Not at all

X **Don't know**

Question 3.11:

Are there any prerequisites for the greater use of ICT in supervisory reporting?

- Yes
- No

X **Don't know**

Question 3.12:

Are there any obstacles to the greater use of ICT in supervisory reporting in the short term (i.e. 2 years or less)?

- Yes
- No

X **Don't know**

Concerning greater automation of the reporting process:

Question 3.13:

To what extent would greater automation of the reporting process help reduce the compliance cost supervisory reporting?

- Very significantly
- Significantly

X **Moderately**

- Marginally
- Not at all
- Don't know

Please elaborate.

Reporting processes in our view are already highly automated. Most manual interventions result from errors, e.g. missing data, or "no match" feedbacks from repositories/counterparties. It is difficult to see how these "repair processes" could be automated.

Question 3.14:

To what extent would greater automation of the reporting process help improve the management (i.e. reporting and/or processing) of supervisory data required to be reported?

- Very significantly

X **Significantly**

- Moderately
- Marginally
- Not at all
- Don't know

Question 3.15:

Are there any prerequisites for a greater automation of supervisory reporting?

- Yes
- No

X **Don't know**

Question 3.16:

Are there any obstacles to a greater automation of supervisory reporting in the short term (i.e. 2 years or less)?

- Yes
- No

X **Don't know**

Question 3.17:

What role can EU regulators play in facilitating or stimulating greater use of ICT in supervisory reporting?

- Crucial role
- Important role
- Moderate role
- Limited role
- No role

X **Don't know**

Question 3.18:

What role can EU regulators play in facilitating or stimulating greater automation of the reporting process?

- Crucial role
- Important role
- Moderate role
- Limited role
- No role

X **Don't know**

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