Case study analysis of regulatory reporting across the European Commission

Final Report

Executive Summary

WAVESTONE

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Executive Summary

The report, commissioned by the European Commission's ISA^2 Programme, contributes to identify the main practices of regulatory reporting across the European Commission with a view to promote legal interoperability in this domain. By analysing regulatory reporting practices across four different domains – financial, environmental, energy and food safety – the report aims to provide insights into existing commonalities, best practices and remaining challenges in the European Commission's efforts to streamline regulatory reporting. The report concludes by putting forward recommendations that could further improve the process of regulatory reporting across policy sectors and foster legal interoperability in this domain.

The report begins by analysing the scope and purposes of regulatory reporting across the European Commission, international organisations and Member States, in order to propose a common definition to be used throughout the study. The main motivation behind analysing the existing definitions is due to the fact that, even though the Better Regulation Guidelines and Toolbox extensively discuss the practice of monitoring of EU policies, they do not explicitly define the process of regulatory reporting. Subsequently to the conducted desk research and scoping interviews, the following definition is used throughout the report: "*Regulatory reporting is the provision of periodical structured or unstructured data (qualitative or quantitative) from concerned private and public organisations, to competent authorities (at EU or national level) as required by the obligations set in specific EU legislations*."

The report then presents the main findings of the four case studies analysed in the scope of this study:

- **Three cases of regulatory reporting practices, which have been already studied and improved in scope of a dedicated Fitness Check exercise**, i.e. supervisory reporting in the financial sector (DG FISMA), regulatory reporting in the environmental domain (DG ENV), and streamlining of the reporting processes in the energy and climate domain (DG ENER);
- **One case of regulatory reporting on food safety policy** (EFSA) that **did not go through such a Fitness Check.**

The case studies analysis covers the following four issues: (i) the scope and purpose of regulatory reporting; (ii) the key actors involved in regulatory reporting; (iii) the regulatory reporting process itself; and (iv) the IT tools being used. The case studies conclude with the assessment of the coherence between the DataStrategy@EC and the European Interoperability Framework.

The main conclusions of the study are as follows: (Conclusion #1) The main purpose of regulatory reporting is to ensure compliance with the obligations stemming from EU law, but regulatory data should be used for other complementary purposes as well; (Conclusion #2) The approach of setting up reporting requirements is similar across the analysed Commission services with slight variations depending on the domain and the type of data being collected; (Conclusion #3) The process of collecting regulatory data varies across the analysed Commission services, but it is streamlined by the use of information technology; (Conclusion #4) Several organisational challenges stand in the way of streamlining regulatory reporting; (Conclusion #5) Despite the identified obstacles to the regulatory reporting process across the case studies, numerous best practices also emerged.

The essential output of the study is a set of recommendations addressed to stakeholders at the European Commission. (Recommendation #1) It is recommended for the European Commission to put forward common guiding documents on the regulatory reporting process, (Recommendation #2) to promote further streamlining of regulatory reporting and (Recommendation #3) promote the reuse of IT tools supporting reporting. (Recommendation #4) Synergies with the DataStrategy@EC should also be established. Finally, (Recommendation #5) it is recommended that a dedicated coordination body for regulatory reporting process be established across the European Commission and that a community around regulatory reporting continues to be further fostered in the future.

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