



Case study analysis of regulatory reporting practices across the European Commission

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List of abbreviations

DCF	Data Collection Framework
DG	Directorate-General
DG ENER	Directorate-General for Energy
DG ENV	Directorate-General for Environment
DIGIT	Directorate-General for Informatics
DG FISMA	Directorate-General for Financial Stability, Financial Services and Capital Markets Union
DG MARE	Directorate-General Maritime Affairs and Fisheries
DG MOVE	Directorate-General for Mobility and Transport
DG SANTE	Directorate-General for Health and food Safety
EBA	European Banking Authority
ECB	European Central Bank
EEA	European Environmental Agency
EFSA	European Food Safety Authority
EIF	European Interoperability Framework
EIOPA	European Insurance and Occupational Pensions Authority
ESA	European Supervisory Authority
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
EU	European Union
FDS	Financial Data Standardisation
GDP	Gross Domestic Product
GDE2	Guidance on Data Exchange version 2.0
IMSB	Information Management and Scrutiny Board
JRC	Join Research Centre
NCA	National Competent Authority
OECD	Organisation for Economic Co-operation and Development
UN	United Nations
REFIT	The European Commission's regulatory fitness and performance programme
RQ	Research Question
SG	Secretariat-General
XML	Extensible Markup Language

Executive Summary

The report, commissioned by the European Commission's ISA² 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.

Introduction

This study is conducted in the context of the Action 2016.23 Legal Interoperability¹ of the ISA² programme². Within the scope of its activities, this action aims to implement the recommendation of the European Interoperability Framework (EIF)³ related to the achievement of legal interoperability in Europe. More specifically, recommendation 27 of the EIF states that the European Commission and public administrations should “*Ensure that legislation is screened by means of ‘interoperability checks’, to identify any barriers to interoperability. When drafting legislation to establish a European public service, seek to make it consistent with relevant legislation, perform a ‘digital check’ and consider data protection requirements.*”

Legal interoperability is a crucial factor for the implementation of legislation as it helps to ensure consistency of the legal framework across the Member States. Ensuring legal interoperability is especially important when it comes to the definition and implementation of regulatory requirements of EU legislations. It appears that the way in which these reporting requirements are established and implemented varies widely across the different EU policy areas and even within a particular policy field. This poses the risk of creating inconsistencies and imposing unnecessary administrative burden on the entities concerned by the reporting requirements. In the context of regulatory reporting, the entities that report data to regulators may be Member States’ authorities themselves, or businesses (e.g. financial institutions, industrial companies). Furthermore, whilst the Better Regulation Guidelines and Toolbox (in particular, Tool #41) talk extensively about the process of monitoring of EU legislation, they do not provide a concise definition of regulatory reporting.

Considering the above, in order to better understand the role that the ISA² programme can play in fostering legal interoperability, the study intends to analyse the main practices, challenges and lessons learnt when it comes to regulatory reporting practices across the European Commission. Through four different case studies, the study aims to uncover some of the reasons for which reporting entities, such as financial institutions, energy companies or large enterprises, struggle to meet regulatory reporting requirements. From an initial point of view, it seems that many organisations, which are currently required to submit data on their activities, often have to report the same type of data in different formats or different periodicities to various regulators, which results in limited interoperability between the reported data and is perceived as a burden by the various stakeholders.

In light of the above, the implementation of clearer and better governed regulatory reporting obligations will lead to the emergence of more user-friendly practices. To this end, it is necessary to fully understand and define what regulators normally mean by reporting obligations and subsequently understand the barriers and obstacles to the implementation and improvement of regulatory reporting

¹ https://ec.europa.eu/isa2/actions/ict-implications_en, (last accessed 11/05/2019).

² DECISION (EU) 2015/2240 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 25 November 2015 establishing a programme on interoperability solutions and common frameworks for European public administrations, businesses and Citizens (ISA² programme) as a means for modernising the public sector, OJ L 138, 4.12.2015. p1-16.

³ COM(2017) 134 final COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS European Interoperability Framework – Implementation Strategy, Brussels, 23.3.2017.

practices within EU legislations. Moreover, it is important to look at the European Commission and its agencies' approach of regulatory reporting in terms of processes, tools and policies for preparing and issuing new regulatory reporting obligations and specifications too.

In this context, Wavestone was mandated by the European Commission, Directorate-General for Informatics (DIGIT), to conduct a study aimed at defining regulatory reporting, identifying the best practices among the European Commission services and its agencies' and advising the ISA² programme on how to improve and foster legal interoperability.

The study comprises the following chapters:

- **Chapter 1: Methodology of the study**, describes the overall methodology applied to this study, including the definition of research questions, the phases of the study and the approach used for the selection of case studies.
- **Chapter 2: Towards a common definition of regulatory reporting**, provides a definition of regulatory reporting based on the conducted desk research.
- **Chapter 3: Current practices on regulatory reporting**, illustrates the evidences and information collected and analysed in each of the selected studies in terms of governance, roles and responsibilities of each organisations, the main processes followed, and IT tools used.
- **Chapter 4: Conclusions & Recommendations**, provides the consolidated and summarised results of the study as well as recommendations for the ISA² programme based on potential opportunities related to reporting obligations in the light of the EIF.

1. Methodology of the study

This chapter describes the methodological approach taken to conduct the study. Section **Error! Reference source not found.** summarises the study objectives and scope, setting out the main research questions. Section 1.2 introduces the overall methodological approach to address the research questions. In particular, it illustrates the research methods employed to conduct the study and how conclusions and recommendations were drawn.

1.1 Study objectives

The overall objective of the study is to better define the scope of regulatory reporting, and to identify good practices carried out by some Commission DGs and European agencies⁴, with a view to improving the regulatory reporting process. The findings can then be used to inform the ISA² programme on how to improve and foster legal interoperability across the EU.

These objectives are made operational through four research questions (RQ). Table 1 below presents the main research questions and details the corresponding chapter in which each RQ is answered.

Table 1 Key research questions

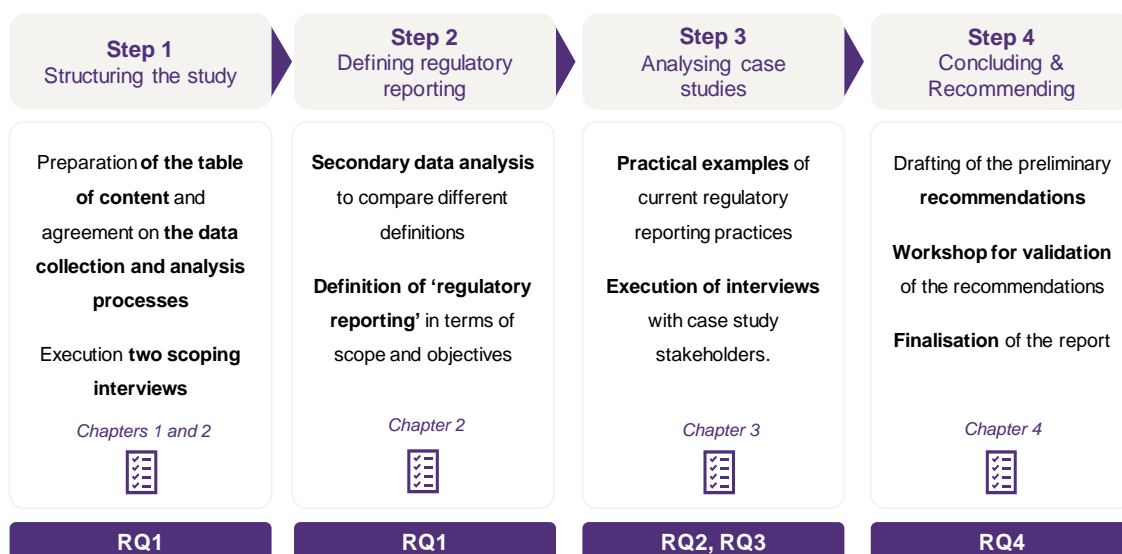
Research Question	Corresponding Chapter
RQ1. How can 'regulatory reporting' be defined and categorised based on international good practices? What definition is used in the current study and why?	Chapter 2 Towards a common definition of regulatory reporting
RQ2. How do the European Commission and its agencies approach regulatory reporting in terms of processes, tools and policies/guidelines for preparing and issuing new regulatory reporting obligations and specifications?	Chapter 3 Current practices on regulatory reporting
RQ3. To what extent are the current regulatory reporting practices coherent with the EIF recommendations concerning legal interoperability, and with DataStrategy@EC?	Chapter 3 Current practices on regulatory reporting
RQ4. What are the main opportunities for the ISA ² programme when it comes to support specific initiatives related to regulatory reporting obligations?	Chapter 4 Conclusions & Recommendations

1.2 Overall methodological approach

The methodological approach taken to conduct this study was designed to provide answers to the research questions in a structured way. It comprised of four phases, shown in Figure 1. For the purposes of the study, a case study approach was used to provide an in-depth analysis of regulatory reporting practices across Europe.

⁴ And EU institutions in general.

Figure 1 Methodological approach



Source: The overall methodological framework of the study summarised by Wavestone, Jan 2019.

Step 1 – Structuring of the study

This step entailed the preparation of the table of content for the draft report and suggested the organisation of the chapters. The outcome of this step, upon agreement with the Project Officer, was the consolidated outline of the Introduction and Methodology chapters of D03.01 Draft report on regulatory reporting.

Furthermore, during this step, the data collection and analysis methods used for the study, namely case study analysis through desk research and primary data collection in the form of interviews, were agreed upon with the Project Officer and a long list of potential secondary sources was compiled.

As part of Step 1, two exploratory interviews were conducted: one with Roberto Barcellan, Head of Data Services Unit at DIGIT and one with Annette Schaefer, Policy Officer - Horizontal Coordination on Better Regulation issues at the Secretariat-General (SG). The purpose of the interviews was to better understand the objectives of DataStrategy@EC initiative and the scope and objectives of the Monitoring and Quantification Working Group.

Step 2 – Defining Regulatory Reporting

The second step of the study aimed to answer to RQ1 on the key definitions or attributes of regulatory reporting. In order to better define 'regulatory reporting', in terms of scope and objectives, among the different interpretations of and jargon used for regulatory reporting, desk research activities were conducted.

In order to identify commonalities and differences among the existing definitions of regulatory reporting, in addition to the Better Regulation Guidelines and Better Regulation Toolbox⁵, 24 secondary data sources on regulatory reporting were consulted; made available by the following organisations:

- European Commission and its agencies;
- International organisations, such as OECD and UN;
- National authorities, such as the Bank of England;
- Private sector organisations, such as Hexanica, Linklaters and Infosys Limited, amongst others.

A comparative analysis of the definitions was made, and a single definition of regulatory reporting was then put forward. The definition was agreed upon with the Project Officer and were further elaborated on during the case study interviews.

The main outcome of this step was the proposal of the standard definition of 'regulatory reporting'. It is documented in Chapter 2 Towards a common definition of regulatory reporting of D03.01 Draft report on regulatory reporting and presented during a dedicated workshop (D03.02 Reporting obligation workshop). The final output of this step is documented in this document 'D03.03 Final report on regulatory reporting'.

Step 3 – Analysing four case studies

The aim of the third step of the study was to answer RQ2, RQ3 and RQ4. More specifically, to describe four specific cases of 'regulatory reporting' in Europe based on desk research on available documents complemented by semi-structured interviews with key stakeholders of the four case studies. These four case studies were selected to assess and analyse how regulatory reporting has been implemented in different policy domains. The objective of this step was to provide more in-depth information on the four practical examples, technical solutions being used, and lessons learned.

The four case studies to be analysed in the scope of this study were selected at the inception phase. The objective of the case study selection exercise was to target domains where European legislations require reporting obligations.

The selected case studies are:

- **Supervisory reporting in the financial sector** (Case Study 1): practices on regulatory reporting and standards have been studied in the remit of the "Financial Data Standardisation" initiative, which is partially funded by the ISA² programme. Furthermore, a Fitness Check⁶ on Supervisory Reporting is being conducted to identify ways in which financial reporting can be improved⁷. For the purpose of the case study stakeholders from The Directorate-General for

⁵ https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how/better-regulation-guidelines-and-toolbox_en (last accessed on 11/05/2019).

⁶ 'Fitness checks' are comprehensive policy evaluations assessing whether the regulatory framework for a policy sector is fit for purpose. Their aim is to identify excessive regulatory burdens, overlaps, gaps, inconsistencies and/or obsolete measures which may have appeared over time, and to help to identify the cumulative impact of legislation. More information is available at: http://ec.europa.eu/smart-regulation/evaluation/docs/fitness_checks_2012_en.pdf (last accessed on 24/04/2019).

⁷ https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5063271_en (last accessed on 11/05/2019).

Financial Stability, Financial Services and Capital Markets Union (DG FISMA) Unit E.4 Economic Analysis and Evaluation and 0.1 Resource and finances were consulted.

- **Regulatory reporting in the environmental domain** (Case Study 2): regulatory reporting is an essential part of the legislative cycle in the field of environment policy. Reporting data allows to inform competent authorities, the European Commission or the public on potential and existing environmental issues and it also improves decision making. The Directorate-General for Environment (DG ENV) has also carried out a Fitness Check on Reporting and Monitoring to identify ways in which environmental monitoring and reporting practices can be streamlined⁸. For the purpose of the case study, stakeholders from DG ENV Unit E.4 Compliance and Better Regulation and A.4 Administration, IT and Support Services as well as those from European Environmental Agency (EEA) were consulted.
- **Streamlining of reporting processes in the energy and climate domains** (Case Study 3): the streamlining of reporting obligations was studied in the frame of the REFIT Initiative “FITNESS CHECK Reporting, Planning and Monitoring Obligations in the EU Energy acquis”⁹. For the purpose of the case study, stakeholders from Directorate-General for Energy (DG ENER) A1 Energy Policy Coordination, and the Directorate-General for Mobility and Transport (MOVE)/ENER Shared Directorate Unit 2 Information management and IT systems were consulted.
- **Regulatory reporting for food safety policy** (Case Study 4): the practice of regulatory reporting was studied in the health domain, without relying on specific REFIT initiatives taken by DG SANTE and focusing on reporting process at the European Food Safety Authority (EFSA). For the purpose of the case study, experts from EFSA were consulted.

Out of the four chosen case studies, three were examples of recent REFIT¹⁰ initiatives that cover reporting obligation practices and have all conducted or were in the process of finishing Fitness Checks. The three case studies covered the following policy areas: finance, environment and climate. The focus of the last case study linked to food and health safety was on the regulatory reporting state-of-play at EFSA. For each of the four case studies, the main stakeholders were identified with whom nine interviews were conducted to collect data.

It should be taken into consideration that, even though the case studies provide a rich description of the subject-matter, one should be careful when generalising the findings of such studies since the selection of case studies is not representative of the average situation in the field of regulatory reporting. The selected cases can only be considered as examples, in view of the multitude of practices across different Commission DGs and European Agencies.

The output of this step is part of Chapter 3 Current practices on regulatory reporting

⁸ http://ec.europa.eu/environment/legal/reporting/pdf/action_plan_env_issues.pdf (last accessed on 11/05/2019).

⁹ https://ec.europa.eu/energy/sites/ener/files/documents/2_en_autre_document_travail_service_part1_v3.pdf. (last accessed on 11/05/2019).

¹⁰ https://ec.europa.eu/info/law/law-making-process/evaluating-and-improving-existing-laws/refit-making-eu-law-simpler-and-less-costly_en (last accessed on 11/05/2019)

Step 4 – Conclusions & Recommendations

After the data collection and analysis was completed under Step 2 and Step 3, the aim of this step was to formulate robust conclusions and practical recommendations on the use of existing (ISA²) or new solutions/services to overcome the main challenges faced by the researched Commission services and European Agencies. The conclusions and recommendations of this study are to be taken on board by DIGIT's Interoperability Unit to define possible initiatives and actions in collaboration with other Commission DGs.

The recommendations were presented during a dedicated validation workshop on regulatory reporting. Therefore, the proposed set of actions was discussed and validated by various stakeholders of regulatory reporting across the European Commission.

The output of this step is part of Chapter 4 Conclusions & Recommendations.

2. Towards a common definition of regulatory reporting

This chapter aims at defining regulatory reporting. It proceeds to do so as the Better Regulation Guidelines and Toolbox, as explained further below, do not provide a clear definition and distinction between regulatory reporting and monitoring. Consequently, several secondary data sources are assessed, and the identified definitions are compared in order to come up with an agreed definition of the scope and objectives of 'regulatory reporting' to be used throughout the study.

It is important to note that notification practices are not considered in this study, since notifications only take place when there is an event that needs to be reported, rather than at predefined intervals. For example, the provisions of the Directive on security of network and information systems (NIS Directive)¹¹, which establish security and notification requirements for operators of essential services and for digital service providers¹², are not considered as an example of regulatory reporting requirements.

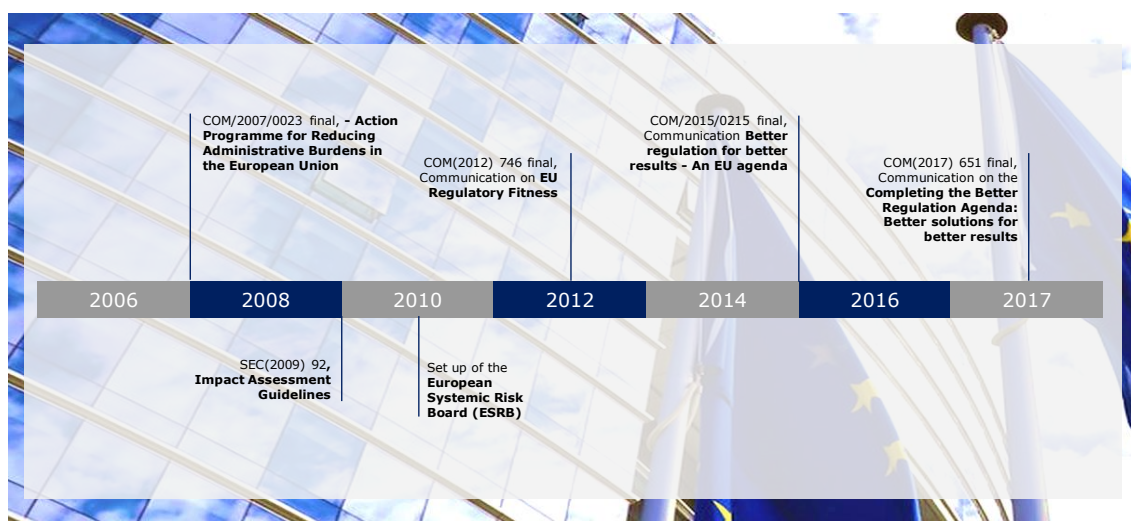
2.1 Evolution of regulatory fitness in the EU

Before analysing the most common elements of existing definitions of regulatory reporting across different organisations, it is important to understand how regulatory reporting and hence, the way it is defined, evolved at EU level. As will be evident from the below, the initial focus of the European Commission on regulatory reporting was primarily through the prism of the reduction of administrative burden imposed by the EU legislation. More specifically, regulatory reporting can be understood as the reporting obligations imposed on businesses by EU legislation. At the same time, the European Commission views monitoring more from the perspective of the reporting from Member States to the European Commission, as a way to measure the level of implementation of EU legislation. Figure 2 below summarises the main milestones in the evolution of the concepts of monitoring and regulatory reporting in the European Commission.

¹¹ DIRECTIVE (EU) 2016/1148 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 6 July 2016 concerning measures for a high common level of security of network and information systems across the Union, OJ L 194, 19.7.2016, p. 1 – 30.

¹² As mentioned in the Directive's Articles 1 and 10, 'This Directive establishes security and notification requirements for operators of essential services and for digital service providers; [...] Member States shall ensure that either the competent authorities or the CSIRTs receive incident notifications submitted pursuant to this Directive.'

Figure 2 Main milestones in EU regulatory fitness development



Source: Figure prepared by Wavestone based on desk research.

As early as 2007, the European Commission launched an action programme to reduce administrative burden of EU regulation¹³. When it comes to regulatory reporting, the programme stipulated that *“Administrative requirements are an important determinant of the business environment since businesses across the EU are obliged to spend considerable amounts of time filling in forms and reporting on a wide range of issues. These costs are presently estimated to amount to 3.5% of GDP in the EU.”* Hence, the programme set out to reduce unnecessary reporting as a way to reduce administrative burden. A high-level group was set up to advise on the implementation of the programme. Some of its recommendations included facilitating electronic invoicing and reducing the frequency of reporting requirements to the minimum levels necessary to meet the substantive objectives of the legislation and align the frequency of reporting across different related pieces of legislation. By the end of the action programme, in 2012, the Commission reached its target of cutting by 25% the administrative burden for businesses stemming from EU legislation (resulting in estimated annual savings EUR 30.8 billion)¹⁴.

In 2009, the European Commission’s Impact Assessment guidelines¹⁵ also referred to regulatory reporting at EU level, by stipulating that policy makers may use an enforcement mechanism, such as reporting obligations, to ensure the effectiveness of EU law. Whilst these early Impact Assessment guidelines did not define regulatory reporting as such, reporting obligations were mentioned in several sections of the guidelines. For example, when detailing with the main economic impacts to be assessed, the guidelines covered the administrative burden for businesses – *“Does it affect the nature of information obligations placed on businesses (for example, the type of data required, reporting*

¹³ COM(2007) 23 final, Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions - Action Programme for Reducing Administrative Burdens in the European Union, Brussels, 24.1.2007.

¹⁴ SWD(2012) 423 final, COMMISSION STAFF WORKING DOCUMENT Action Programme for Reducing Administrative Burdens in the EU Final Report Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions EU Regulatory Fitness, Strasbourg 12.12.2012.

¹⁵ SEC(2009) 92, Impact Assessment Guidelines, 15 January 2009.

frequency, the complexity of submission process)?". In this regard, regulatory reporting obligations are seen strictly from the perspective of reporting requirements imposed on businesses by the EU legislation. On the other hand, the guidelines defined monitoring as "measure the progress of the public intervention through a set of indicators for the key objectives of that intervention".

This is already clarifying the difference between 'monitoring', which is an instrument for the regulators to measure progress of a public intervention or law over time, and 'reporting', which is an enforcement mechanism to encourage compliance with the requirements set out in the law. Monitoring provides the European Commission with the data needed to assess the implementation of EU legislation, and to inform the co-legislators and the public on the actual impacts of a specific public intervention. Monitoring at EU level implies gathering information at national level, which involves "reporting" of the Member States to the European Commission. Member States' authorities are also receiving information from enterprises, when specified in the EU legislation as information obligation.

Whilst this is a more domain specific milestone, 2010 was an important year in the area of financial reporting. In 2010, after the financial crisis, the European Commission created the European System of Financial Supervision, consisting of the European Systemic Risk Board (ESRB), and three European supervisory authorities (ESAs), namely the European Banking Authority (EBA), the European Securities and Markets Authority (ESMA) and the European Insurance and Occupational Pensions Authority (EIOPA). In line with the Lamfalussy regulatory approach¹⁶, the European supervisory authorities were tasked with responsibility of preparing the so-called 'technical standards' – a particular category of Level 2 measures¹⁷ that they draft and submit to the European Commission to be adopted as delegated or implemented acts as well as guidelines and recommendations on the implementation of the European Regulations¹⁸.

2012 marked an important milestone in the culture of reporting and evaluation in the European Union, with the formalisation of the concept of Regulatory Fitness and the combination of various undergoing initiatives on regulatory fitness into the European Commission's regulatory fitness and performance programme, or REFIT¹⁹ as more commonly known. The programme aims at eliminating unnecessary regulatory costs (i.e. burdens) and ensuring that the body of EU legislation remains fit for purpose. The communication also stipulated that REFIT will focus on the possible regulatory burden related to how EU legislation is implemented at the national and sub-national level. The communication also

¹⁶ Regulatory Process in the financial services, available at: https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-reforms-and-their-progress/regulatory-process-financial-services/regulatory-process-financial-services_en (last accessed on 11/05/2019).

¹⁷ According to the Lamfalussy architecture, which guides legislative process in the financial sector, when it comes to Level 2 measures, the European Commission can adopt, adapt and update technical implementing measures with the help of consultative bodies composed mainly of EU countries representatives. More information available at https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-reforms-and-their-progress/regulatory-process-financial-services/regulatory-process-financial-services_en (last accessed on 24/04/2019).

¹⁸ REGULATION (EU) No 1093/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, OJ L 331, 15.12.2010, p. 12–47.

¹⁹ COM(2012) 746 final, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS EU Regulatory Fitness, Strasbourg, 12.12.2012.

formalised the concept of fitness checks and specified that these should continue into the future. However, it is important to note that pilots of some fitness checks were launched as early as 2010, such as those on EU freshwater policy in the environment area, on information and consultation of workers in the social field, on type-approval of motor vehicles, on food chain legislation and on internal aviation market policy²⁰.

The way in which one thinks about regulatory reporting and regulatory compliance shifted significantly in 2015, with the launch of the Better Regulation Agenda²¹. The main objectives of the Agenda are to ensure that EU decision-making is open and transparent; stakeholders can contribute throughout the policy and law-making process; EU actions are based on evidence and understanding of the impacts and that regulatory burdens on businesses, citizens or public administrations are kept to a minimum²². Along with the Better Regulation package, the European Commission published Better Regulation Guidelines and an accompanying Toolbox, which discuss the concepts of regulatory reporting and monitoring extensively, as summarised in [Box 1](#) below.

²⁰ Information on Fitness Checks, available at: http://ec.europa.eu/smart-regulation/evaluation/docs/fitness_checks_2012_en.pdf (last accessed on 11/05/2019).

²¹ COM(2015) 215 final, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Better regulation for better results - An EU agenda, Strasbourg, 19.5.2015.

²² Better Regulation Why and How available at: https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_en (last accessed on 11/05/2019).

Box 1 Regulatory reporting in the Better Regulation Guidelines and Toolbox

According to the Commission's Better Regulation Agenda²³, reporting is identified as a key focus with the aim of improving the evidence base for policy making but also reducing administrative burden especially when setting reporting requirements (or obligations). According to tool #41 "Monitoring arrangements and indicators" of the Commission's Better Regulation Toolbox, monitoring is a continuous and systematic process that aims at checking if the implementation of an EU initiative is on track and at generating information that can be used to evaluate if it has achieved its objectives. As part of the monitoring exercise, the evidence to be collected, the frequency at which it is collected and the manner in which it is collected, as well as the key principles to be followed are defined²⁴. However, it appears that the Better Regulation Toolbox does not - at the present moment - provide a clear definition of regulatory reporting, or even a clear-cut distinction between monitoring and reporting. The Better Regulation Toolbox talks about monitoring and reporting requirements almost interchangeably. For example, tool #41 details the exact same principles that should be followed when setting up monitoring and reporting requirements. Similarly, in Chapter V on Monitoring, of the Better Regulation Guidelines the following is stated: "*monitoring/reporting requirements can create administrative burdens which should be kept to what is absolutely necessary.*"²⁵

Furthermore, Chapter V of the Better Regulation Guidelines defines monitoring as something that "*generates evidence on an intervention's activities and impacts over time in a continuous and systematic way*"²⁶. It appears also that Chapter V considers regulatory requirements to precede the monitoring process in the policy cycle. This is stemming from the fact that regulatory requirements are normally laid down in the adopted legislation itself: "*the first step in defining a monitoring system is to carefully consider the objectives of the intervention and the reporting requirements that have been set. Different reports contain different kinds of evidence, serving different purposes, particularly depending on the time they are written in the policy cycle*".²⁶

Finally, regulatory requirements are mentioned once again in the tool #60 of the Toolbox, which presents the standard cost model (SCM) for estimating administrative costs²⁷. The main aim of the model is to assess the net cost of information obligations imposed by EU legislation. Once again, the regulatory requirements are discussed from the perspective of administrative burden imposed on businesses from the need to submit information as means of complying with the European legislation.

Finally, it is important to highlight that in its Communication on the Completing the Better Regulation Agenda: Better solutions for better results²⁸ in 2017, the European Commission in several cases mentioned the importance of streamlining and simplifying regulatory reporting requirements. For example, one of its follow-up actions detailed that "*Reporting requirements in environmental legislation would be rationalised based on the findings of the fitness check*"²⁹.

²³ Better Regulation guidelines - Better regulation in the Commission, Chapter I Better regulation in the Commission, available at <https://ec.europa.eu/info/sites/info/files/better-regulation-guidelines-better-regulation-commission.pdf> (last accessed on 11/05/2019).

²⁴ Better Regulation Toolbox, Tool 41, p303, available at https://ec.europa.eu/info/sites/info/files/better-regulation-toolbox-41_en (last visited on 11/05/2019).

²⁵ Better Regulation guidelines, p 47, available at: <https://ec.europa.eu/info/sites/info/files/better-regulation-guidelines-monitoring.pdf>, (last accessed on 11/05/2019).

²⁶ Better regulation guidelines, p 44, available at: <https://ec.europa.eu/info/sites/info/files/better-regulation-guidelines-monitoring.pdf>, (last accessed on 11/05/2019).

²⁷ Better Regulation Toolbox, Tool 60, available at: https://ec.europa.eu/info/sites/info/files/better-regulation-toolbox-60_en (last visited on 11/05/2019).

²⁸ COM(2017) 651 final, COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS Completing the Better Regulation Agenda: Better solutions for better results, Strasbourg, 24.10.2017

²⁹ The environmental fitness check is being analysed as part of one of the four case studies under this project.

2.2 International and national good practices

Having obtained an understanding of the evolution of the concept of regulatory reporting in the European context, one can aim to define the scope of regulatory reporting to be used in this study. To analyse how international and national organisations approach the concept of regulatory reporting, a total of 24 secondary data sources were consulted. The consultation of secondary data made available by various stakeholders, including international organisations, the European Commission and financial authorities, allowed the identification of commonalities and differences among the existing definitions of regulatory reporting.

The research has proven challenging in terms of finding clear-cut and straightforward definitions. Therefore, the definitions have been reformulated in order to better present their meaning. Table 2 below presents the various definitions used by relevant stakeholders.

Although there are many different interpretations of and jargon used for regulatory reporting, a relative consensus on its key attributes among the main policy literature can be found. At the same time, it is evident that the main stakeholders in the field of regulatory reporting are using different terms to refer to the same concept. Finally, more often than not, the understanding of regulatory reporting is taken as granted and no clear definition is provided. More specifically, most of the definitions are missing clarifications and even explanations which may lead to some difficulties of comprehension for the reporting authorities. Section 2.4 presents the results of the comparative analysis of the identified definitions as presented in Table 2.

Table 2 List of definitions of regulatory reporting

ID	Sponsoring institution/publisher.	Source	Reference to regulatory reporting
1	Bank of England	https://www.bankofengland.co.uk/prudential-regulation/regulatory-reporting	The provision of regulatory returns from banks, building societies, investment firms, credit unions and insurers to the Prudential Regulation Authority (PRA), the receiving authority.
2	Board of Governors of the Federal Reserve System (Decision-making body at the Federal Reserve)	https://www.federalreserve.gov/supervisionreg/topics/reporting.htm	Data collected from regulatory reports of domestic and foreign financial institutions.
3	Burges Salmon (Independent UK law firm)	https://www.burges-salmon.com/news-and-insight/legal-updates/digital-regulatory-reporting-the-first-step-towards-digital-regulation/	The need for a firm to be able to locate the relevant data and convert it into the correct format (for the purposes of reporting). In this text, digital regulatory reporting means the creation of an automated process to mine and collect data of authorised firms based on a predetermined interpretation of the relevant rules and which would be reported to the regulators in a common format.
4	Central Bank of Ireland	https://www.centralbank.ie/regulation/industry-market-sectors/investment-firms/mifid-firms/reporting-requirements	The requirement to report certain information on a periodic basis from one entity to another.
5	EEA (European Environmental Agency)	Reporting Obligations Database	Reporting obligations are the requirements to provide information agreed between countries and international bodies such as the EEA or international conventions. For example, reporting obligations provide the basis for most environmental information flows.
6	European Commission	Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of The Regions, Actions to Streamline Environmental Reporting (SWD (2017) 230 final)	Legal provisions requiring data, information or reports to be submitted to the Commission.

ID	Sponsoring institution/publisher.	Source	Reference to regulatory reporting
7	European Commission	European Commission, Website, Public country-by-country reporting	<p>Submission of report on payments from companies to governments.</p> <p>Remark: Country-by-country reporting differs from regular financial reporting in that companies have to publish information for every country they operate in rather than providing a single set of information at global level.</p>
8	European Commission, DG FISMA	DIRECTIVE 2014/95/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups	The Directive refers to reports that should be submitted by 'certain large undertakings' and specifies what sort of data should be included in them: 'a non-financial statement containing information relating to at least environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters.'
9	European Commission, DG ENV	Reporting and monitoring of environment legislation, European Commission	Reporting is a transfer of information and data from one entity to another which may include a wide range of cases. In the context of this initiative, it is a requirement for a European Member State to transmit information to the European Commission as a mean to demonstrate successful implementation. The information is the result of monitoring this implementation, and it is the monitoring that provides the evidence base for implementation and policy making.
10	European Commission, DG ENER	<p>FITNESS CHECK</p> <p>Reporting, Planning and Monitoring Obligations in the EU Energy acquis</p>	For this Fitness Check planning and reporting obligation are understood as those obligations foreseen for MS in the various legal acts within the scope. Monitoring refers to the obligations for the Commission to monitor and to report to the European Council and/or European Parliament and/or the European Economic and Social Committee and/or the Committee of the Regions and/or other institutions as well as to the general public and the MS.
11	European Commission, DG ENV	Reporting on the implementation of waste legislation	<p>Member States have various reporting obligations concerning implementation of waste legislation. The two main types of reports include:</p> <ul style="list-style-type: none"> • Reporting on targets: annual (or bi-annual) reporting on the achievement of various targets for waste collection, re-use, recycling and / or recovery. • Implementation Reports: these three-annual reports are based on questionnaires established in Commission Decisions together with the Member States (see the list under 'Legislation – Implementation Questionnaires' below) and cover the main aspects of implementation of waste legislation.

ID	Sponsoring institution/publisher.	Source	Reference to regulatory reporting
12	Financial Conduct Authority (FCA, financial regulatory body in the UK)	Call for Input: Using technology to achieve smarter regulatory reporting, 2018	Every firm we regulate is required to send us reports. Regulatory reporting requirements are specified in rules in our Handbook as well as in domestic legislation or in applicable European Union regulations; the type and amount of information that a firm must send us varies significantly depending on its type and size. The data received from regulatory reporting are critical to our market integrity objective; assisting our ability to deliver effective supervision, monitor markets and detect financial crime.
13	Financial Conduct Authority (FCA, financial regulatory body in the UK)	Digital Regulatory Reporting	Digital regulatory reporting opens up the possibility of a model driven and machine-readable regulatory environment that could transform and fundamentally change how the financial services industry understands, interprets and then reports regulatory information
14	Financial Industry Regulatory Authority (FINRA, regulatory body in the US)	Technology Based Innovations for Regulatory Compliance ("RegTech") in the Securities Industry	Regulatory reporting requires to gather and analyse information for use in internal modes, and ultimately to report to the regulators.
15	Hexanica (Provider of software for financial institutions)	http://hexanika.com/why-is-regulatory-reporting-tough/	The submission from one entity of raw or summary data needed by regulators to evaluate a bank's operations and its overall health, thereby determining the status of compliance with applicable regulatory provisions.
16	Infosys Limited (Business consulting, information technology and outsourcing services)	Banks Regulatory Reporting Compliance - The Challenges and the Solution White Paper, External document 2017 Infosys Limited	The subsidiary function with the key tasks of data enrichment, lineage, and reporting handle manually and in silos.
17	Linklaters (UK law firm)	https://www.linklaters.com/en/insights/blogs/fintechlinks/2018/june/what-is-digital-regulatory-reporting-and-why-should-you-care	The submission of huge volumes of data from firms to the regulators. The submitted data are data related to business, products and transactions of the firms.
18	Luxembourg Financial Sector Surveillance Commission	http://www.cssf.lu/en/supervision/banks/legal-reporting/	Legal reporting encompasses all the periodic information to be transmitted to the CSSF by the entities under its supervision by observing the file transport and data protection instructions. <ul style="list-style-type: none"> Periodic reporting: for prudential supervisory purposes, the supervised entities are required to transmit to the CSSF data relating to their activities on a monthly, quarterly, half-yearly or annual basis, depending on the object. The instructions of the CSSF only concern the prudential reporting (tables B and O), for which the CSSF is responsible. TAF/MiFID reporting (Transactions sur Actifs Financiers, transactions on financial assets): for the purpose of supervising markets in financial instruments, credit institutions and investment firms are required to report to the CSSF all transactions in financial instruments admitted to trading on a regulated market of the

ID	Sponsoring institution/publisher.	Source	Reference to regulatory reporting
			European Economic Area whether these transactions have been made on a regulated market.
19	Organisation for Economic Co-operation and Development (OECD)	Measuring Regulatory Performance, evaluating the impact of regulation and regulatory policy, OECD, Expert Paper No. 1, August 2012	The paperwork activities imposed by a specific regulation (e.g. reporting, record-keeping, or third-party notifications) that may benefit from the use of information technology.
20	Organisation for Economic Co-operation and Development (OECD)	International Standard Cost Model Manual, SCM Network	Information obligations (IO) are the obligations arising from regulation to provide information and data to the public sector or third parties. An IO does not necessarily mean that information has to be transferred to the public authority or private persons but may include a duty to have information available for inspection or supply on request. A regulation may contain many information obligations. Each information obligation consists of one or more data requirements. A data requirement is each element of information that must be provided in complying with an IO.
21	School of Information Technology and Electrical Engineering, University of Queensland,	Sadiq S., Governori G., (2015). Managing Regulatory Compliance in Business Processes. Handbook on Business Process Management 2: Strategic Alignment, Governance, People and Culture, Second Edition. 10.1007/978-3-642-01982-1_8.	Compliance is defined as ensuring that business processes, operations, and practice are in accordance with a prescribed and/or agreed set of norms. Compliance requirements may stem from legislature and regulatory bodies (e.g., Sarbanes-Oxley, Basel II, HIPAA), standards and codes of practice (e.g., SCOR, ISO9000), and also business partner contracts.
22	The Australian Prudential Regulation Authority (APRA, independent statutory authority)	https://www.apra.gov.au/adi-reporting-requirements	The provision of data from one entity to another. In this case the data are defined in the set of reporting forms and instructions.
23	United Nations (UN)	UN Framework Convention on Climate Change	The quality of greenhouse gas (GHG) inventories relies on the integrity of the methodologies used, the completeness of reporting, and the procedures for compilation of data. To this end, the Conference of the Parties (COP) has developed standardized requirements for reporting national inventories. The UNFCCC reporting guidelines on annual inventories for Parties included in Annex I to the Convention (Annex I Parties) require each Annex I Party, by 15 April each year, to provide its annual GHG inventory covering emissions and removals of direct GHGs (carbon dioxide (CO ₂), methane (CH ₄), nitrous oxide (N ₂ O), perfluorocarbons (PFCs), hydrofluorocarbons (HFCs), sulphur hexafluoride (SF ₆) and nitrogen trifluoride (NF ₃)) from five sectors (energy; industrial processes and product use; agriculture; land use, land-use change and forestry (LULUCF); and waste), and for all years from the base year (or period) to two years before the inventory is due (e.g. the inventories due 15 April 2016 cover emissions and removals for all years from the base year to 2014).

ID	Sponsoring institution/publisher.	Source	Reference to regulatory reporting
24	European Commission, DG ENER	Preparatory Study for the Fitness Check Evaluation of Planning and Reporting obligations in the EU energy acquis and for an Impact Assessment for legislative proposals on streamlining (Energy Union Governance) done by Trinomics	Reporting is defined in the study as 'obligations that require the delivery of a backward-looking report with information on the subject of the obligation, for example to measure progress according to the planned objectives.

2.3 Definitions put forward through the case studies

In addition to the identified definitions from various secondary sources, those used by the DGs studied in the scope of this study were also analysed. More specifically, during the interviews with the four-case study DGs, each of the interviewees was asked to put forward or comment on their understanding of regulatory reporting from the perspective of their DG. The overview of their inputs is presented in Table 3.

Table 3 Regulatory reporting across the European Commission

Directorate General	Definition
DG FISMA	<p>Several types of reporting take place at DG FISMA. Namely,</p> <ul style="list-style-type: none">• Supervisory reporting, which entails the provision of pre-defined data laid down in the various legislations by concerned enterprises to supervisory authorities.• Public reporting by companies entails the publication of data for anyone's access as demanded by several EU Directives, Regulations and Recommendations that were adopted at different points in time over the last 40 years. The current body of EU law comprises a range of requirements applying to listed and non-listed companies, sector specific requirements (banks and insurers), as well as additional disclosure requirements applicable to listed companies. More recently, public reporting requirements have been expanded to non-financial reporting for a much broader audience.• Statistical reporting, which is managed by the European Central Bank (ECB), entails the provision of various statistical data, which is to be published and made available for reuse.
DG ENV	<p>Reporting is a transfer of information and data from one entity to another which may include a wide range of cases. According to the Fitness Check of environmental monitoring and reporting, it is a requirement for a European Member State to transmit information to the European Commission as a mean to demonstrate successful implementation. The information is the result of monitoring this implementation, and it is the monitoring that provides the evidence base for implementation and policy making³⁰. Further definitions of regulatory reporting that exist across DG ENV are detailed in Section 3.2.</p>
DG ENER	<p>Integrated reporting is seen as obligations concerning public and private organisations that require the delivery of a backward-looking report with information on the subject of the obligation, for example to measure progress according to the planned objectives.</p> <p>Integrated Reporting brings together material information about an organisation's strategy, governance, performance and prospects in a way that reflects the commercial, social and environmental context within which it operates.</p>
DG SANTE (EFSA)	<p>The main purpose of collecting data from Member States at DG SANTE is for measuring compliance with existing legislation in the health domain.</p> <p>However, EFSA collects more granular data in order to be able to carry out and provide consistent risk analyses (to identify and qualify any risk factors).</p>

³⁰ As stated in Reporting and monitoring of environmental legislation, available at: http://ec.europa.eu/environment/legal/reporting/fc_overview_en.htm, (last accessed on 11/05/2019).

From the information above it is evident that different DGs approach the concept of regulatory reporting from slightly different perspectives. Whilst DG FISMA focuses on reporting from private (financial) sector to the national supervisory authorities as a way to show *compliance* with European legislation, it appears that both DG ENV and DG ENER are much more focused on the reporting flows between the Member States and the Commission and use the data not only to measure compliance but also the *level of implementation* of a new European legislation.

2.4 Comparative analysis – towards a new definition

Having identified and analysed existing definitions of regulatory reporting, this section puts forward a definition to be used throughout the study. The definition is put together following a comparative analysis of the different existing definitions of regulatory reporting identified in Section 2.2. The methodology used to analyse the identified definitions is based on the five Ws and one H method (5W1H)³¹. The 5W1H are six questions that answer to What, When, Who, Where, Why and How. The aim of the method is to reach a complete understanding of the regulatory subject from the six points of view. For the scope of this study, however, only four questions were considered relevant as criteria to compare the selected definitions. The What, When, Who and Why were chosen as questions and Where and How have not been considered in the analysis. *What* covers the content that needs to be reported, *When* refers to the frequency of the reporting obligations, *Who* indicates the stakeholders that are involved in the reporting process, and *Why* explains the purpose for the request of regulatory reporting information. However, *Where* refers to a location where the content should be reported and *How* covers the way the reporting process should be conducted. As the aim of the study is to provide a comprehensive and clear definition, the Where and How criteria would lead to too complex analysis results to formulate a final, simple definition.

Table 4 below summarises the main 4Ws for each of the above-listed definitions. Taking a closer look at the main components of each identified definition or mention of regulatory reporting across different organisations, private or public, some common elements emerge. First, in most cases the definition refers to regulatory reporting as a legal obligation, which requires some specific organisations to transfer data, be it financial, environmental or other type of information. Secondly, most but not all definitions already specify who are the concerned parties by the reporting obligation – in some cases they are the Member States, in other cases they are domain specific companies. Some definitions also detail at what intervals the reports should be submitted. Only few definitions specify the exact type of data that needs to be transmitted (e.g. UN Framework Convention on Climate Change, as regard disclosure of non-financial and diversity information by certain large undertakings and groups, the Financial Conduct Authority). A final, but equally important thing to note is that in most cases the definition of regulatory reporting is unique to a specific domain. Most of the identified definitions specify in which domain (financial, environmental, non-financial, etc.) the reporting obligations have arisen, as this also influences the sort of data and the frequency at which the data is expected to be reported. On

³¹ <https://its.unl.edu/bestpractices/remember-5-ws> (last accessed on 11/05/2019)

a general note, reporting usually aims to ensure transparency, especially in the financial sector, as well as to ensure compliance with specific obligations or legislation.

Table 4 Definition analysis

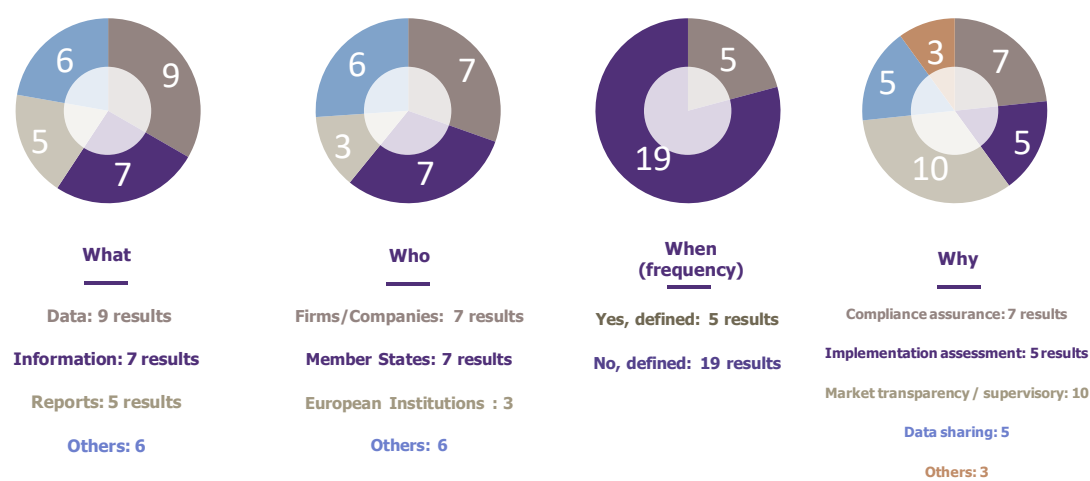
ID	Organisation	What (type of information)	Who (Reporting Entities)	When (Frequency)	Why? (for what reason)
1	Bank of England	Provision of regulatory returns	Financial Institutions and the Prudential Regulation Authority (PRA)	Not mentioned	To share data on firms that are not dual-regulated where necessary, to ensure that there is a complete view of the market.
2	Board of Governors of the Federal Reserve System (Decision-making body at the Federal Reserve)	Collected data	Domestic and foreign financial institutions	Not mentioned	<ul style="list-style-type: none"> - To facilitate early identification of problems that can threaten the safety and soundness of reporting institutions; - To ensure timely implementation of the prompt corrective action provisions required by law; - To serve other legitimate supervisory purposes; - To ensure that investors, depositors, and creditors can better assess the financial condition of the reporting banks (when certain regulatory report information is used for public disclosure).
3	Burges Salmon (Independent UK law firm)	Relevant data	Firms	Not mentioned (but the aim of this process would be to be an "automated process to mine and collect the data of authorized firms")	<ul style="list-style-type: none"> - To ensure compliance to specific legislations; - To ask and collect the exact information that is required; - To make supervision more effective; - To increase the possibility for regulated firms to save on legal and compliance costs; - To implement changes to the regulations in almost real-time from the regulators.
4	Central Bank of Ireland	Certain information	MiFID investment firms	On a periodic basis	To ensure compliance with the MiFID Directive.
5	EEA (European Environmental Agency)	Information	Countries and international bodies such as the EEA or international conventions	Not mentioned	To ensure compliance to the obligations set by international organisations
6	European Commission	Legal provisions requiring data, information or reports	Concerned parties submitting data to the European Commission	Not mentioned	To provide essential facts and information regarding policies and environment for informed decision-making. Reporting is key to the cycle of analysis, dialogue and collaboration that takes place for the environment implementation review.

ID	Organisation	What (type of information)	Who (Reporting Entities)	When (Frequency)	Why? (for what reason)
7	European Commission	Submission of report on payments	Companies and governments.	Not mentioned	To improve the transparency of payments made to governments all over the world by the extractive and logging industries.
8	European Commission, DG FISMA	A non-financial statement containing information relating to at least environmental matters, social and employee-related matters, respect for human rights, anti-corruption and bribery matters.	Certain large undertakings	Not mentioned	<ul style="list-style-type: none"> - To help investors, consumers, policy makers and other stakeholders to evaluate the non-financial performance of large companies. - To encourage these companies to develop a responsible approach to business.
9	European Commission, DG ENV	Information and data as a mean to demonstrate successful implementation [of a legislation].	Member State to the European Commission	Not mentioned	To demonstrate the successful implementation of a legislation.
10	European Commission, DG ENER	Obligations foreseen in various legal acts	Member States	Not mentioned	<ul style="list-style-type: none"> - To assess the effectiveness of the implementation of EU legislation. - To provide the necessary information to the European Parliament, Council and the European public on the results achieved by EU legislation and its influence on policy reforms at national and at European level.
11	European Commission, DG ENV	Targets for waste collection, re-use, recycling and/or recovery and implementation reports	Member States	In the case of targets – annual or bi-annual reporting; in the case of implementation reports – three-annual reports	To assess the implementation of waste legislation.
12	Financial Conduct Authority (FCA, financial regulatory body in the UK)	Reports with data specified in the handbook and domestic or EU regulations	Regulated firms	Not mentioned	To ensure compliance with the rules set by the regulators.
13	Financial Conduct Authority (FCA, financial regulatory body in the UK)	Regulatory information submitted through digital means	Financial service industry	Not mentioned	To ensure compliance with the European Market Infrastructure Regulation.
14	Financial Industry Regulatory Authority (FINRA, regulatory body in the US)	Information for us in internal modes and to report to regulators	Not mentioned	Not mentioned	To oversee the financial sector, and thus ensure protection of investors and integrity of markets.
15	Hexanica (Provider of software for financial institution)	Raw or summary data	Financial institutions	Not mentioned	To evaluate a bank's operations and its overall health, thereby determining the status of compliance with applicable regulatory provisions.

ID	Organisation	What (type of information)	Who (Reporting Entities)	When (Frequency)	Why? (for what reason)
16	Infosys Limited (Business consulting, information technology and outsourcing services)	Data	Financial institution	Not mentioned	To ensure compliance with existing Regulations in the financial sector.
17	Linklaters (UK law firm)	Data	Firms and regulators	Not mentioned	Not mentioned
18	Luxembourg Financial Sector Surveillance Commission	Prudential reporting	The entities under the supervision of the CSSF	In the case of periodic reporting, monthly, quarterly, half-yearly or annual basis	<ul style="list-style-type: none"> - To perform prudential supervisory, in case of periodic reporting. - To supervise markets in financial instruments, in the case of TAF/MiFID reporting.
19	Organisation for Economic Co-operation and Development (OECD)	Paperwork activities e.g. reporting, record-keeping or third-party notifications	Not mentioned	Not mentioned	To measure regulatory progress in a meaningful and credible way.
20	Organisation for Economic Co-operation and Development (OECD)	Obligations arising from regulation to provide information and data	Provision of data to public sector or third parties	Not mentioned	Not mentioned
21	School of Information Technology and Electrical Engineering, University of Queensland,	Requirements that help to ensure that business processes, operations and practice are in accordance with a prescribed set of norms as laid out in a legislation	Not mentioned	Not mentioned	To assess compliance, defined as ensuring that business processes, operations, and practice are in accordance with a prescribed and/or agreed set of norms.
22	The Australian Prudential Regulation Authority (APRA, independent statutory authority)	Data	Authorised deposit-taking institutions and APRA	Not mentioned	Not mentioned
23	United Nations (UN)	National GHG inventory covering emissions and removals of direct GHG	Each party concerned by Annex I	Annual	To ensure the quality of greenhouse gas (GHG) inventories.
24	European Commission, DG ENER	Obligations related mainly to a fully integrated European energy market, energy efficiency, nuclear energy, energy security, solidarity and trust and decarbonising the economy	Member States and the Commission	There is a wide range of frequencies, ranging from weekly to once every 10 years. The most commonly applied frequencies are annual and every two years.	<ul style="list-style-type: none"> - To provide information on national implementation and compliance; - To track progress towards targets and alert to the need for policy reforms; - To increase transparency and public confidence; and share knowledge in a more general sense.

Table 4 bundles data together according to the methodology for the comparative analysis – selecting the What, Who, When and Why questions out of the 5W1H method as explained above. Figure 3 below summarises the findings clustered by What, Who, When and Why and gives in this way an overview on how the definition on regulatory reporting for this study is formulated.

Figure 3 Toward a common definition of regulatory reporting



Source: Figure prepared by Wavestone based on desk research.

After summarising the results of the conducted desk research and discussing the understanding of regulatory reporting with the persons interviewed for this study, in this study regulatory reporting is understood to mean the following:

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.

3. Current practices on regulatory reporting

This chapter presents the main study findings per each of the four case studies. For each case study, the followings are detailed: the main scope and purpose of regulatory reporting, lessons learnt from the conducted REFIT exercise (if applicable), the involved stakeholders, the regulatory reporting process and supporting IT tools. The case studies conclude with an analysis of the coherence with the EIF and with the DataStrategy@EC. The main findings from the case studies are enriched with additional views and opinion from experts from the Publication Office of the European Union and Eurostat.

3.1 Case study 1 – Supervisory reporting in the financial sector

The Directorate General for Financial Stability, Financial Services and Capital Markets Union (**DG FISMA**) is responsible for governing the financial markets across the EU and for initiating and putting forward new legislative and political initiatives in the area of banking and finance.

For the purpose of this case study, two interviews were held with policy officers from FISMA.E4 (unit dealing with economic analysis & evaluations), which initiated and is currently steering the FDS Project and coordinates the ongoing Fitness Check as well, and from FISMA.01. Resources and Finance Team, working on the Knowledge Online on European Legislation (KOEL) tool.

3.1.1 *Our understanding of the context & background*

Financial institutions across Europe have to fulfil multitude of regulatory requirements put in place by EU legislation emanated from DG FISMA. In the scope of this study, DG FISMA's practices on regulatory reporting and standards have been studied in the remit of the Financial Data Standardisation (FDS) initiative, which is partially funded by the ISA² programme³². This initiative should be seen in the frame of the Fitness Check of Supervisory Reporting requirements³³ in the financial sector, which is being carried out to identify ways in which financial reporting can be improved. The purpose of the Fitness Check is to assess whether the current reporting requirements are relevant, consistent, effective and efficient, and whether they provide added value at EU level.

Scope & purpose of regulatory reporting

DG FISMA has established the FDS project, which aims to share financial data more effectively by improving the interoperability of data standards. The goal of this project is to contribute to the reduction

³² More information available at: https://ec.europa.eu/isa2/actions/towards-better-financial-data-reporting_en (last visited on 11/05/2019)

³³ More information available at: https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5063271_en (last visited on 11/05/2019)

of compliance costs that arise in the context of legal reporting requirements by applying the 'once for all' principle³⁴ in data reporting.

In the frame of the FDS project, DG FISMA, refers to “supervisory reporting” rather than “regulatory reporting”, since requirements are in place to ensure that the supervisors can better oversee the financial sector and to ensure financial stability as such. Supervisory reporting is understood as the provision of data on supervised entities (i.e. market participants) and their activities to the competent authorities³⁵. This type of data is required to effectively supervise financial institutions, monitor systemic risks and ensure orderly markets, financial stability, and investor protection. The need to report to supervisory authorities is necessary for many legislative acts across industries (e.g. banking, insurance, pension funds, investment services, post-trade services and investment funds) and products (e.g. loans, securities, derivatives, fund units, structured products).

Broadly speaking, there are multiple reasons behind the information obligations set out by DG FISMA, which are directly linked to the legislation(s) setting those obligations. It is important to note that in addition to supervisory reporting, other reporting practices exist at DG FISMA, notably tax, anti-money laundering and terrorist financing reporting, among others. To illustrate this, an average large financial institution has 50 regulatory reports³⁶ it has to send throughout different lifecycles and time frames. However, it is also important to note that DG FISMA, as the other Commission services, are setting reporting requirements, to measure compliance to the provisions coming from a piece of legislation. Whilst the policy officers do try to ensure that the regulatory requirements impose the lowest reporting cost possible, since the financial crisis in 2008, the main goal is to ensure financial stability, rather than low cost of compliance.

Fitness Check of Supervisory Reporting requirements

The European Commission launched a Fitness Check of Supervisory Reporting requirements³⁷, which aims to verify if these requirements are meeting their objectives, whether the different reporting frameworks are consistent with one another as well as whether the burden of reporting is reasonable. Although the full results of Fitness Check have not yet been published, some preliminary avenues for improvement and challenges³⁸ have been identified in the Fitness Check, including the identification of areas where the reporting burden could possibly be reduced by streamlining the requirements in EU financial legislation.

³⁴ More information available at: https://joinup.ec.europa.eu/sites/default/files/inline-files/SEMIC%202018%20-%20Van%20Den%20Hul_1.pdf

³⁵ In accordance to what was mentioned in the Fitness Check on Supervisory Reporting, available at: https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5063271_en (last accessed 11/05/2019).

³⁶ This information was gathered during an interview with DG FISMA, the interview summary is available upon request.

³⁷ More information available at: https://ec.europa.eu/info/law/better-regulation/initiatives/ares-2017-5063271_en (last visited on 11/05/2019)

³⁸ This information was gathered during an interview with DG FISMA, the interview summary is available upon request.

The above should be implemented while ensuring financial stability in the market. The Fitness Check has also identified that different legislative acts take a very different approach to supervisory reporting while targeting similar type of data. More specifically, according to the Summary Report of the Public Consultation on the Fitness Check on Supervisory Reporting³⁹, the consulted stakeholders have emphasised the following main challenges:

- Lack of proportionality in the existing reporting frameworks.
- Several reporting frameworks, especially those applicable to the banking sector, require the reporting of very similar (but not identical) metrics. This point was highlighted in particular with regard to quasi-overlaps between national and European reporting frameworks.
- Redundancy and lack of coherence within and between different reporting frameworks.
- Better consideration should be given to the exact purpose of reporting requirements.
- Differences in definitions and templates (e.g. between the European market infrastructure regulation⁴⁰ (EMIR) and the Markets in Financial Instruments Regulation⁴¹ (MiFIR)) create an additional unnecessary compliance burden.
- Despite the use of modern information technology infrastructure for supervisory reporting, there is still a high manual effort needed to meet all reporting requirements.

3.1.2 Key actors involved in regulatory reporting

Three main parties, at EU and national levels, are involved in the supervisory reporting process: the national and European regulators, the industry and the European supervisors, as shown in Figure 4 below.

1. **Regulators** include primarily DG FISMA, which is the main entity that deals with regulatory reporting within the financial sector. DG FISMA plays the role of the regulator that oversees the setting of reporting requirements and follows the full process until the adoption of the technical requirements.
2. The **industry** (made of market participants), is involved and concerned by the regulatory reporting process. These stakeholders represent both large enterprises and SMEs. Their role is to report regulatory information to the supervisors in different formats.

³⁹ The summary report is available at: https://ec.europa.eu/info/sites/info/files/2017-supervisory-reporting-requirements-summary-report_en.pdf (last accessed on 11/05/2019)

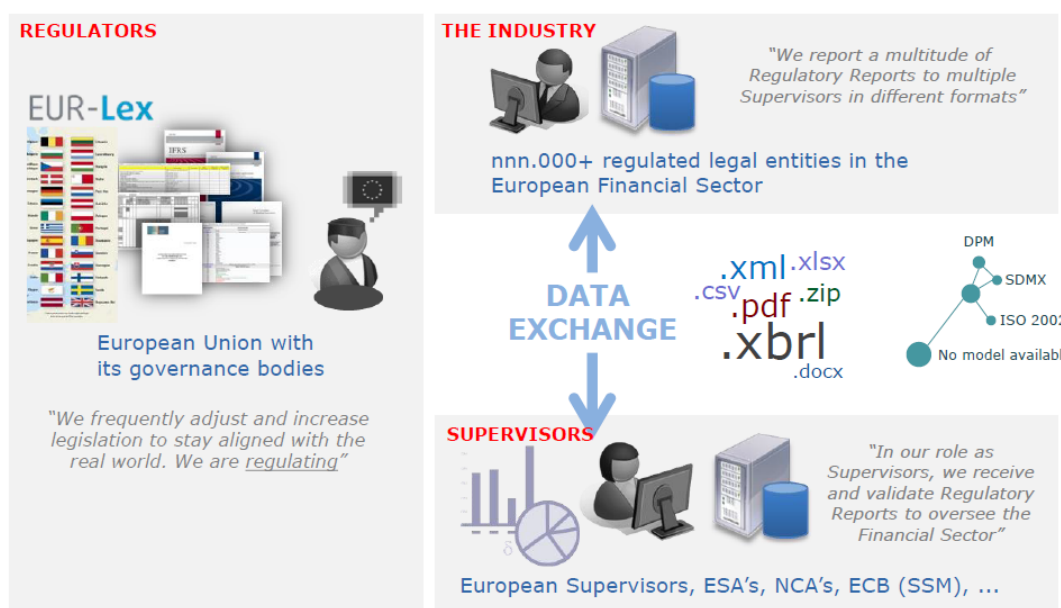
⁴⁰ Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories Text with EEA relevance, OJ L 201, 27.7.2012, p. 1–59.

⁴¹ Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012 Text with EEA relevance, OJ L 173, 12.6.2014, p. 84–148.

3. **Supervisors** comprises the European Supervising Authorities (ESAs)⁴², the National Competent Authorities (NCAs), and the European Central Bank (ECB), throughout the Single Supervisory Mechanism (SSM).

In addition to these main stakeholders' groups, there are also Standard Developing Organisations (SDOs)⁴³ involved in the decision-making of regulatory reporting, for which their role is to govern the design and implementation of the technical standards. Moreover, to a lesser extent, trade associations and software vendors may be consulted in the process of developing the technical specifications.

Figure 4 Three parties involved in financial sector supervisory reporting



Source: Presentation given by DG FISMA on Financial Data Standardisation - RegTech Project, Sofia, 14 June 2018.

3.1.3 Overview of the regulatory reporting process

The reporting requirements are set in the context of the Lamfalussy regulatory approach¹⁶, which is followed by financial services legislation in the EU across different institutional levels. The Lamfalussy regulatory approach involves four institutional levels:

1. At level 1, the European Parliament and Council adopt the basic laws (so-called Level 1 measures) proposed by the European Commission, in the traditional co-decision procedure. As this procedure is usually complex and time-consuming, the Lamfalussy report recommends using it only for setting out framework principles.
2. At level 2, the European Commission can adopt, adapt and update technical implementing measures such as implementing and delegated acts (Level 2 measures) with the help of consultative bodies composed mainly of EU countries' representatives. This allows the

⁴² This term is already explained under section 2.1.

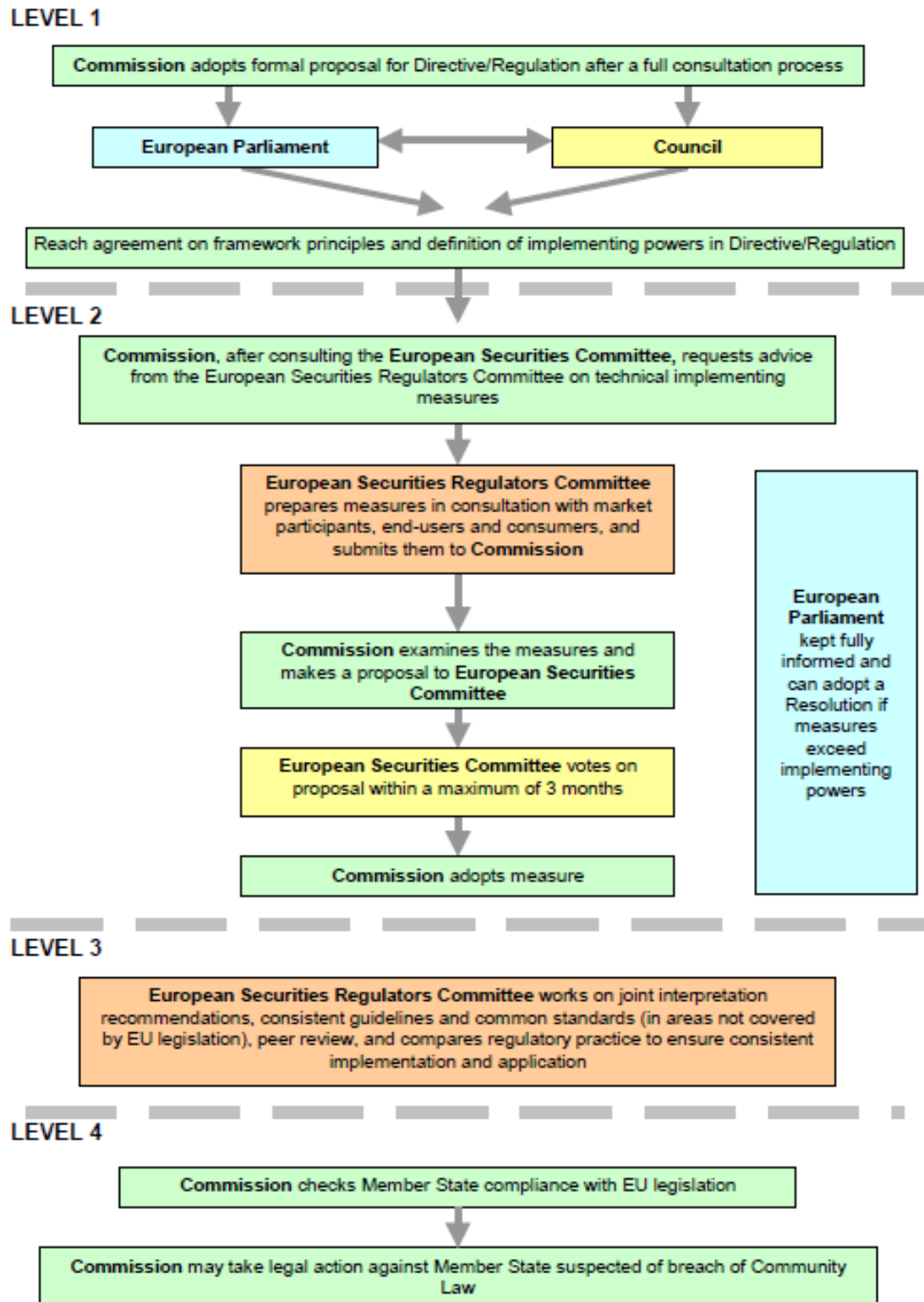
⁴³ Some examples of SDOs can be found at: https://www.standardsportal.org/usa_en/resources/sdo.aspx (last accessed on 11/05/2019)

Council and Parliament to focus on the key political decisions, while technical implementing details can be worked out afterwards by the Commission.

3. At level 3, the ESAs are responsible for advising the European Commission in the adoption of level 1 and 2 acts and for issuing guidelines (Level 3 measures) on the implementation of the rules.
4. At level 4 the approach advocates a stronger role for the Commission in ensuring the correct enforcement of EU rules by national governments.

The 4-level regulatory approach recommended by the Lamfalussy approach was first adopted in the securities sector and then extended to banking, insurance, occupational pensions and asset management. It allowed for a more flexible decision-making process and resulted in an improvement in the quality of legislation. The overall process of the Lamfalussy regulatory approach – as applied for the securities sector – is provided in Figure 5 below.

Figure 5 The Lamfalussy architecture: a four-level process



Source: Final Report of the Committee of Wise Men on the Regulation of European Securities Markets.

According to the Lamfalussy approach, DG FISMA is responsible for proposing Level 1 measure (basic laws such regulations and directives).

Many Level 1 measures in the area of financial services contain empowerments for Level 2 measures to be adopted by the Commission by means of delegated acts, implementing acts, or measures under the former comitology 'regulatory procedure with scrutiny'. When the Level 2 measures require the expertise of supervisory experts, it can be determined in the basic act that these measures are technical standards based on drafts developed by the ESAs. There are two types of standards: the regulatory technical standards (RTS), which are adopted by the Commission by means of a delegated act and the implementing technical standards (ITS), which are adopted by means of an implementing act⁴⁴.

At level 3, committees of national supervisors, the ESAs, advise the Commission in preparing Level 2 measures in order to facilitate convergence of regulatory reporting practices. Then, at level 4, the Commission decides and ensures the correct enforcement of EU rules by national governments.

DG FISMA oversees the technical requirements setting prepared by the ESAs (Level 2 measures). DG FISMA itself does not receive any reported regulatory data, since the supervision is carried out by the national authorities, usually the NCAs or the ESAs (e.g. EBA, ESMA, and EIOPA). The ESAs have their own responsibilities regarding reported data (as also specified in the founding regulations⁴⁵ establishing these authorities) and keep regular meetings together via an organised network, the governance of which includes the Commission. DG FISMA follows the work of the ESAs and sets general rules but not the specificities for reporting.

ESAs supervise the regulatory reporting process, by receiving and validating the regulatory reports submitted by the market participants. They also participate in the endorsement process of technical standards, working within the network of NCAs.

3.1.4 The role of information technology in regulatory reporting

In the financial sector there is no possibility to submit reporting data in paper form due to fact that there is such a substantial amount of data. There are different reporting standards used within the reporting frameworks studied by the FDS project. Some of these reporting frameworks, such as the Market Abuse Directive (MAD)⁴⁶, the Market Abuse Regulation (MAR)⁴⁷ and MiFID II⁴⁸/MiFIR⁴² ISO 20022 standard⁴⁹, are used by the financial institutions and currently being maintained by the ISO organisation.

⁴⁴ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/financial-reforms-and-their-progress/regulatory-process-financial-services/regulatory-process-financial-services_en

⁴⁵ i.e. REGULATION (EU) No 1093/2010 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 November 2010 establishing a European Supervisory Authority (European Banking Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/78/EC, OJ L 331, 15.12.2010, p12 – 47.

⁴⁶ Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive), OJ L173, 12.6.2014, p. 179 – 189.

⁴⁷ Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC Text with EEA relevance, OJ L 173, 12.6.2014, p. 1 – 61.

⁴⁸ Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, OJ L 145, 30.4.2004, p. 1–44.

⁴⁹ ISO 20022: the international standard that defines the ISO platform for the development of financial message standards.

In addition to these standards, DG FISMA highlighted that it is necessary to maintain a repository of all potential reporting obligations linked to EU legislation in the financial services. This inventory requires the identification of all Level 1 and Level 2 measures, which consists of reporting frameworks, as well as the relation between them and their status of adoption (e.g. in force). This inventory is accessible by a web application, internal to the European Commission, named Knowledge Online on European Legislation (KOEL).

The purpose of the KOEL tool is to provide the necessary collection of all relevant legislations containing regulatory reporting obligations into a single repository. It can be seen as a knowledge management system used for all information, including reporting obligations, related to legislative acts. The main users of the tool are the policy officers working on drafting inputs to any upcoming legislations and setting up the regulatory requirements. The KOEL tool was intended to become a web application containing EU legislations within the financial services, including Level 1 measures and related Level 2 measures. Therefore, this web application would be used for FAQ purposes to the public. For the time being, the KOEL tool is only used internally within the Commission and helps policy officers to search for relevant parts of existing legislation, such as reporting requirements. However, investigations are being carried out in order to use emerging technologies to support the analysis of Level 1 and Level 2 measures in EU legislations. The involvement of emerging technologies would allow the tool to contain the necessary functionalities to manage and analyse reporting obligations, reporting frameworks, as well as Level 3 measures, and would allow its users:

- To analyse redundancies, gaps in regulatory requirements, overlaps and inconsistencies and report on results.
- To link all types of provisions, work on different articles of the legislation and attach links to other documents and resources.
- To view the status of the legislations (whether it has been adopted already or not) and contribute to the editing of any legislation that is still being drafted.

The KOEL tool can be considered as a one-stop-shop for legal requirements in a specific domain. At the present moment, the tool allows for access for internal Commission users only. DG SANTE and DG MARE are already using the tool internally. However, the objective would be to extend the use of this tool to other DGs. The ambition is to reuse the tool across sectors within the European Commission, to ensure better information sharing and knowledge management and to allow a good planning of the legislative process.

3.1.5 Coherence with EU-wide initiatives on interoperability and data management

Considering the substantial amount of data flows in the financial sector, it is crucial to ensure their interoperability. The Fitness Check and existing solutions implemented in the regulatory reporting process in the financial sector by DG FISMA, are consistent with the EIF recommendation 27 on legal

interoperability⁵⁰. The Fitness Check and existing solutions aim to identify best practices and actions to be implemented in order to promote the consistency of relevant legislation in terms of regulatory reporting practices. Therefore, this action advocates the importance of identifying redundancies between EU legislation to avoid overlaps and burdens. As we mentioned earlier, it is possible to have different legislation with different regulatory reporting practices which ask for the same types of data. If the practices were the same when the data requested are the same, it would simplify the data collection and analysis processes.

When it comes to the DataStrategy@EC, several synergies and commonalities can be identified in the DG FISMA regulatory reporting practices. The ambition to improve and enable other Commission services to reuse KOEL, as a single repository, shows that this tool has clear synergies with the Federated catalogue of data services Action of the DataStrategy@EC. This tool aims, in fact, to analyse and avoid duplication, gaps, overlaps and inconsistencies in regulatory requirements. Moreover, by further investigating the potential benefits and feasibility of linking Artificial Intelligence with Legislation Interoperability Tools (LegIT), which is a solution financed by the ISA² programme⁵¹, KOEL's take-up across the Commission could increase. KOEL is a tool which streamlines the drafting of new reporting requirements.

The Fitness Check of Supervisory Reporting Requirements can also be considered as a contribution to the DataStrategy@EC. More specifically, the Fitness Check can be used as a basis for Action 8 of DataStrategy@EC, Data Policies, which then provides for the development of guidelines to standardise data management processes and procedures within the organisation throughout the data life cycle.

3.2 Case study 2 – Regulatory reporting in the environmental domain

The Directorate-General for Environment (**DG ENV**) collects regulatory data from various stakeholders as required by the EU acquis.

Environmental reporting can be sometimes inefficient because the same data and information are asked several times or at different point in time, creating additional administrative burden. To this end, DG ENV conducted a Fitness Check on Monitoring and Reporting in environment policy⁵², which was completed in June 2017. For this case study, two interviews were conducted with the policy officers at Unit E4 Compliance and Better Regulation and Unit A4 Administration, IT & Support Services, and also with experts from the European Environmental Agency (EEA).

⁵⁰ More information related to the New European Interoperability Framework is available at: https://ec.europa.eu/isa2/sites/isa/files/eif_brochure_final.pdf (last accessed on 11/05/2019).

⁵¹ More information regarding the Legislation Interoperability Tools financed by the ISA² programme is available at: https://ec.europa.eu/isa2/actions/open-source-software-editing-legislation_en

⁵² SWD(2017) 230 final COMMISSION STAFF WORKING DOCUMENT Fitness Check of Reporting and Monitoring of EU Environment Policy, Brussels, 9.6.2017

3.2.1 Our understanding of the context & background

DG ENV, through its work, aims to protect, preserve and improve Europe's environment for present and future generations⁵³. In this regard, it collects a wide array of data from the Member States, including regulatory data.

Scope & purpose of regulatory reporting

In different information sources produced by DG ENV, the purpose and definition of regulatory reporting is presented slightly differently:

- DG ENV has put together a Vademecum⁵⁴, which contains guiding principles for anyone working on regulatory reporting in the environmental domain. The draft of the Vademecum provides the following definition: *“Reporting is the process of transmitting data and information from a providing entity to a receiving entity. Looking at monitoring which is a direct result of EU environmental legislation, reporting is understood as a one-off or regular provision of (environmental) information by business, public administrations, other organisations, and citizens along a reporting chain. Reporting is therefore not a purpose in itself but merely a mechanism of transmitting information.”*
- DG ENV has contributed to the Make It Work project, the final output of which was the Drafting Principles for smarter environment reporting⁵⁵. The document outlines the best practices when it comes to regulatory reporting. The document also provides the following definition: *“Reporting can be defined as the predetermined transfer of information, which is essential to developing, implementing and evaluating of environmental law on a regular basis”⁵⁶.*
- The Reporting and monitoring of environment legislation website contains the following definition of regulatory reporting: *“Reporting is a transfer of information and data from one entity to another which may include a wide range of cases. In the context of this initiative [Fitness Check on Reporting and Monitoring], it is a requirement for a European Member State to transmit information to the European Commission as a mean to demonstrate successful implementation”⁵⁷.*

Hence, it is evident that DG ENV views regulatory reporting as the process of data collection to demonstrate successful compliance with a piece of European legislation, which acts as an input to the broader EU policy cycle.

⁵³ More information about DG ENV can be found at: http://ec.europa.eu/environment/basics/home_en.htm (last accessed on 11/05/2019).

⁵⁴ Vademecum for Streamlining Environmental Reporting, (draft, v1.0 – 14/05/2018). The document is currently not publicly available, as a draft version was shared with the Project Team for the research purposes.

⁵⁵ Make it Work (2016), Drafting Principles for smarter environmental reporting, available at: <https://www.omgevingswetportaal.nl/binaries/omgevingswetportaal/documenten/rapporten/2017/06/14/drafting-principles-for-smarter-environmental-reporting/Drafting+principles+environmental+reporting.pdf> (last accessed on 11/05/2019).

⁵⁶ P 7 of Make it Work (2016), Drafting Principles for smarter environmental reporting.

⁵⁷ Available at: http://ec.europa.eu/environment/legal/reporting/fc_overview_en.htm (last accessed on 11/05/2019).

Given the vastness of the European environmental legislation, there are several types of information that Member States and other entities are required to report to DG ENV or the EEA. According to the results of the study supporting the Fitness Check⁵⁸, there are reporting provisions in place across the EU environmental acquis, in particular requirements for Member States to transmit to the European Commission and or to the EEA information on:

- Basic details of implementation, for example on numbers of facilities regulated, decisions on regulatory issues, etc.;
- The situation and progress in attaining the objectives and targets defined by legislation;
- The profile and intensity of environmental pressures; and
- The effectiveness of responses to environmental pressures.

Similarly, just like there are multiple types of data that Member States can be expected to report to DG ENV and the EEA, there are multiple purposes that the regulatory reporting data can be used for, in addition to measuring the enforcement of legislation. DG ENV details them extensively in its Vademecum and encourages policy officers to think about the data purpose when setting up regulatory requirements:

- Commission checking compliance by Member States with their obligations in directives and regulations. These obligations are about targets to be met, processes to be established and infrastructures to be set up;
- Review or evaluation of the effectiveness of a piece of European legislation, Directive or a Regulation;
- State-of-play of the environment assessment at EU level;
- Development of new policy at EU level; and
- Informing the public.

Fitness check on Monitoring & Reporting

DG ENV executed a Fitness Check on Monitoring and Reporting in the environmental domain⁵⁹. There were several motivations behind the Fitness Check, such as the fact that the reporting process is ineffective because the same information and data are asked several times or at different moments, hence not respecting the once-only principle; the reporting requirements lead to unnecessary extra administrative burden without clear benefits; they are organised in a way that is not efficient and does not use information technology to the best possible extent both in the way information is processed within Member States and then at the EU level. Finally, the Fitness Check was conducted because

⁵⁸ Support to the Fitness Check of monitoring and reporting obligations arising from EU environmental legislation, Final Report, available at: http://ec.europa.eu/environment/legal/reporting/pdf/Reporting%20and%20monitoring/support_fitness_check_report.pdf (last accessed on 11/05/2019).

⁵⁹ Please refer to footnote number 1.

policy officers at DG ENV believe that there is a lack of exchange of existing best practices, resulting in silos, making integrated environment assessments more burdensome⁶⁰.

The Fitness Check was concluded in June 2017. Following the completion of the Fitness Check, the European Commission adopted Actions to Streamline Regulatory reporting⁶¹, which detailed the main findings of the Fitness Check and proposed some future ways forward. According to the document in 2017 environmental policy had 181 reporting obligations found in 58 pieces of EU environmental legislation. These required numerical and geospatial information, but most were in text format. Among the main challenges associated with regulatory reporting in the environmental domain identified during the Fitness Check⁶² were:

- Need to ensure that all reporting obligations include the key indicators needed to assess compliance and understand performance in delivering objectives;
- Need to reduce textual reporting requirements and promote good IT practices such as common open source standards;
- Need to promote good practices for active dissemination of collected data;
- Need to further align timing and frequency for reporting obligations to correspond to major policy cycle needs;
- Need to harmonise and centralise (some) aspects of processes to make them more effective and efficient;
- Need to make better use of data from EU sources (such as Copernicus⁶³) or directly from the public (e.g. in the context of citizen science).

According to Actions to Streamline Environmental Reporting, which, in addition to the summary of the Fitness Check, contained a detailed list of actions that should be implemented in order to improve regulatory reporting and monitoring process in the environmental domain. More specifically, the actions are focused around five areas: making information flows more accurate and efficient, streamlining the reporting process, promoting active dissemination of environmental information, making use of other complementary data source for regulatory reporting purpose and finally, improving coherence and cooperation.

The main objective of DG ENV in developing the Action Plan is to achieve a more standardised and coordinated approach to regulatory reporting. Furthermore, given the knowledge and expertise

⁶⁰ Reporting and monitoring of environmental legislation, available at: http://ec.europa.eu/environment/legal/reporting/fc_overview_en.htm (last accessed on 11/05/2019)

⁶¹ COM(2017) 312 final, REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS, Actions to Streamline Environmental Reporting, Brussels, 9.6.2017

⁶² Support to the Fitness Check of monitoring and reporting obligations arising from EU environmental legislation, Final Report, available at: http://ec.europa.eu/environment/legal/reporting/pdf/Reporting%20and%20monitoring/support_fitness_check_report.pdf (last accessed on 11/05/2019).

⁶³ Copernicus is the European system for monitoring the Earth. It consists of a complex set of systems which collect data from multiple sources: earth observation satellites and in situ sensors such as ground stations, airborne sensors, and sea-borne sensors. It processes this data and provides users with reliable and up-to-date information through a set of services related to environmental and security issues. More information about Copernicus is available at: https://ec.europa.eu/growth/sectors/space/copernicus_en (last accessed on 11/05/2019)

gathered at the EEA, the European Commission will reinforce its capacity to assist in delivering on such an approach building on the experiences, tools and processes already established at the Agency. Box 2 summarises the main 10 Actions put forward by the European Commission for the streamlining of regulatory reporting:

Box 2 Action Plan to Streamline Environmental Regulatory Reporting

The Actions to Streamline Environmental Reporting put forward a detailed Action Plan to be followed by DG ENV and the EEA in order to streamline regulatory reporting process in the environmental domain:

1. Legislative amendments to reporting obligations defined in selected pieces of legislation. In accordance with the Fitness Check results, the European Commission will review individual pieces of environmental acquis and propose suitable amendments, if any.
2. Assess and change reporting obligations in more detail as part of a rolling programme. The European Commission will examine in more detail any upcoming legislations, legislative proposals or evaluations in the environmental domain from a regulatory reporting perspective.
3. Modernise eReporting including through a more advanced Reportnet and by making best use of the existing infrastructure. Reportnet is a system, which initially was used for reporting environmental data to EEA but is also currently hosting some of DG Environment's reporting tasks. The EEA initiated the evolution of Reportnet into Reportnet 2.0, which will be supported by the European Commission and will aim to push for further developments in line with the agenda of the Digital Single Market.
4. Develop and test tools for data harvesting at EU level. The European Commission, together with the EEA, will invest in the development of such tools and will develop practical guidance on how data harvesting can be used more effectively in environment policy in the future.
5. Develop guidance and promote best practices for European and national environmental information systems including better access to data in easy-to understand ways. The Commission will promote active dissemination through guidance and the sharing of best practice at European and national levels. Any guiding documents will be developed together with European and national stakeholders.
6. Promote full implementation of the INSPIRE Directive, giving priority to datasets most relevant for the implementation and reporting of EU environmental legislation. The European Commission will monitor the application of the INSPIRE obligations through the mechanism set out in that Directive.
7. Making better use of data generated through the Copernicus programme. European Commission will explore how the Copernicus data can be used to complement or generally improve the quality of the information used for reporting procedures and more widely for EU environment policy-making.
8. Promote the wider use of citizen science to complement environmental reporting. The European Commission will work to encourage citizen driven environmental data as it is a cost-effective and a useful method in providing early warnings about environmental trends and specific problems.
9. Improve cooperation in the sharing and use of data gathered in other areas for the benefit of the environment. The European Commission will explore how data submitted to DGs working in similar policy areas as environment (agriculture, climate, consumer and health, energy, maritime and fisheries), as well as statistics can be reused.
10. Strengthen cooperation with relevant international organisations to streamline reporting and information management between the EU level and the international level. The European Commission, together with the Member States, will make additional efforts to put the issue systematically on the agenda of the international environmental agreements where this is not already the case.

To ensure that all the actions detailed in the Action Plan are followed and implemented in a timely manner, a dedicated two-year rolling work programme was adopted⁶⁴. 80 cases of regulatory obligations have been selected as those to be tackled within the two-year period.

As part of the implementation of the Action Plan, the European Commission has set in motion the review of several legislation in the environmental domain. Most recently it adopted the Proposal for a Regulation on the alignment of reporting obligations in the field of environment policy⁶⁵. This proposal aims to improve the evidence base for implementing EU policy, increase transparency for the public and simplify reporting with a view to reducing administrative burden.

Finally, as the result of the Fitness Check, experts at DG ENV have begun drafting the abovementioned Vademecum for Streamlining Environmental Reporting⁶⁶. The document contains detailed advice, best practices and explanations of the regulatory reporting process in the environmental domain and it is complementary to the Better Regulation Guidelines. It breaks down the regulatory reporting process into several steps that should be followed by policy officers drafting regulatory requirements. It also details the main principles that should be followed throughout the process such as: sufficiency and proportionality; quality; comparability; timeliness and continuity; practicability and consistency across sectors/acquis. The document stresses that prior to determining what type of data is to be reported, one should always consider the purpose of reporting. It is then also important to check if any of the data is already available and how, if in any way, the reporting process can be enhanced through existing reporting tools.

3.2.2 Key actors involved in regulatory reporting

There are several key stakeholders involved in the regulatory reporting process in the environmental domain. At the European level, DG ENV and the EEA are the main entities that deal with regulatory reporting. DG ENV plays the main role in setting up of regulatory requirements, whilst the EEA handles most of the incoming reporting data (although some information is submitted directly to DG ENV) through their Reportnet⁶⁷ platform.

More specifically, policy officers at DG ENV draft the main regulatory requirements and the EEA is sometimes consulted depending on the type of data to be reported. On the other hand, EEA oversees receiving and handling reporting data flows in the environmental domain. However, the EEA believes that the earlier they are consulted in the regulatory reporting process, the smoother the submission of reporting data will be, as they can inform the policy officers of the already existing data flows and potential synergies. This is also supported by DG ENV's Vademecum, which stresses the importance of stakeholder cooperation at early stages of regulatory requirement drafting.

⁶⁴ Fitness Check on Environmental Monitoring and Reporting Rolling Work Programme 2018 – 2020 available at: <http://ec.europa.eu/environment/legal/reporting/pdf/FC%20Reporting%20-%20rolling%20WP%20incl%20annex%20-%20version%202022.2018.pdf> (last accessed on 11/05/2018).

⁶⁵ COM(2018) 381, REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on the alignment of reporting obligations in the field of environment policy and thereby amending Directives 86/278/EEC, 2002/49/EC, 2004/35/EC, 2007/2/EC, 2009/147/EC and 2010/63/EU, Regulations (EC) No 166/2006 and (EU) No 995/2010, and Council Regulations (EC) No 338/97 and (EC) No 2173/2005, Brussels 31.5.2018.

⁶⁶ Vademecum for Streamlining Environmental Reporting, (draft, v1.0 – 14/05/2018). The document is currently not publicly available, as a draft version was shared with the Project Team for the research purposes.

⁶⁷ Information about Reportnet is available: <https://www.eionet.europa.eu/reportnet>, (last accessed on 11/05/2019)

At the national level, it is mainly the national public administrations that are concerned by regulatory reporting requirements. However, for the sake of accuracy, it is important to note that cases of regulatory reporting by private entities (e.g. in the domain of chemicals industry) also exist.

3.2.3 Overview of the regulatory reporting process

In the environmental domain, DG ENV is the main body setting up regulatory requirements as part of its legislations. According to the data collected through the interviews, in most cases, DG ENV has to collect quasi-real time data (hourly or daily) to ensure that it has an accurate overview of the entire environmental ecosystem. It also collects data on an annual basis, in order to draw up analysis and progress reports on the data collected throughout the year, for example on air quality or CO₂ consumption.

At the same time, the EEA collects a significant amount of reporting data as well. It currently has an active database of 120 indicators covering 22 environmental policy areas⁶⁸. It also produces regular reports highlighting the progress made by monitored countries. Furthermore, EEA is responsible for developing the European environment information and observation network (Eionet⁶⁹) and coordinating its activities. Through Eionet, the EEA⁷⁰ brings together environmental information from individual countries concentrating on the delivery of timely, nationally validated, high-quality data. The member countries all have delegated National Focal Points (NFPs)⁷¹, who usually are based inside their national environmental agencies. They report most of the data to the EEA and are responsible for managing and coordinating national networks. Currently this network consists of 39 partner countries.

Eionet core data flows are a subset of the existing key data flows reported by EEA member and cooperating countries using the Reportnet tools. AEE uses the data provided for its main evaluations, products and services. The objective of data flow monitoring and evaluation is to encourage countries to improve their performance through friendly competition that focuses on praising achievements rather than being accountable for failures.

There is a common governance and approach for all actors involved in the data collection process. However, the outcome of the data analysis is different according to each actor. For example, within DG ENV, most of the data is collected for compliance assurance purposes, while the EEA uses the collected data to conduct impact assessments. In fact, this agency is not responsible for verifying the compliance of Member States' legislation but is more focused on estimating trends, and evaluation and impact assessment activities.

As mentioned in the previous section, the EEA is sometimes consulted at the inception of regulatory requirement setting when policy officers want to see if any of the data that they are considering collecting is already available. EEA can also offer significant expertise in the process of drafting of

⁶⁸ Information about the indicators maintained by EEA, available at: <https://www.eea.europa.eu/data-and-maps/indicators/about> , (last accessed on 11/05/2019).

⁶⁹ More information about Eionet at: <https://www.eea.europa.eu/about-us/countries-and-eionet>.

⁷⁰ Information about the EEA, available at: <https://www.eea.europa.eu/about-us> (last accessed on 11/05/2019).

⁷¹ List of NFPs is available at: <https://www.eea.europa.eu/about-us/countries-and-eionet/list-of-members-of-the-nfp-eionet-group> (last accessed on 11/05/2019).

reporting guidelines. Most reporting requirements in the environmental acquis are detailed in the basic legal act, with some elaborated upon in the implementing acts or non-legally binding guidelines.

3.2.4 Role of information technology in regulatory reporting

NFPs use the Reportnet⁶⁷ data tool to submit data to the EEA. The system integrates different web services and allows for distributed responsibilities. Reportnet was initially used for reporting environmental data to EEA but is now also hosting some of DG ENV's reporting tasks⁷². The open system permits deliveries to other national and international organisations in a very transparent way.

However, common reporting data models are not fully implemented. Hence, EEA is working hard to ensure that there is a more integrated approach to reporting. In 2017, EEA has initiated a modernisation project called Reportnet 2.0. The project is initially planned for three years (2017-2019) and will deliver improvements to the Reportnet applications in the areas of performance, stability and security. However, according to the 10 actions put forward by the Action Plan to Streamline Environmental reporting, the European Commission will aim to go beyond the initial plans for Reportnet 2.0. More specifically, it will aim to establish Reportnet as the central and streamlined EU tool for environmental (and possibly other) reporting beyond the current ambition level of Reportnet 2.0.

As stated during the interview with EEA, when it comes to standardisation of reporting flows, there were some discussions on whether there should be an environmental mark-up of data. In the end, it was agreed that there is no need for a reporting schema for environment, as the necessary data is way too diverse. Normally, those who report to EEA are competent in data handling, but not necessary in reporting. This is the main reason for the presence of a helpdesk at EEA. The reporting entities will have some choice in the formats in which stakeholders can report under the new Reportnet system.

It is also worth mentioning that under the Eionet, a Reporting Obligations Database (ROD) is also maintained, which lists the reporting obligations the EEA member countries have towards DG ENV.

DG ENV also has an internal system in place that is used for data submission purposes – Environment Data Submission Portal – DECLARE. The use of a central system allows greater harmonisation and efficiency gains. Both competent authorities in the Member States and the responsible Project Officers at the European Commission use the system. DECLARE provides default concepts, organisation and roles definitions and data workflows to cater for the traditional reporting obligation. The system allows its users to: view and edit their profile data; view, create, and act on relevant submissions (structured data exchanges between parties) and generate reports of relevant information⁷³.

3.2.5 Coherence with EU-wide initiatives on interoperability and data management

The Vademecum prepared by DG ENV can be seen as a best practice document in the domain of regulatory reporting, as it sets out specific guidelines, that are complementary to the Better Regulation

⁷² More information is available at: <https://www.eionet.europa.eu/reportnet> (last accessed on 11/05/2019).

⁷³ More about the terms and conditions related to the tool are available at: <http://ec.europa.eu/environment/nature/biodiversity/international/abs/pdf/DECLARE-GeneralTermsandConditions.pdf> (last accessed on 11/05/2019).

Guidelines and coherent with what the EIF recommends on legal interoperability. More specifically, the guidelines lay down the key principles that should be followed when setting up regulatory requirements and details the main questions that should be answered at each step of the regulatory reporting process. Some of the main principles laid out in the Vademecum are: identify the purpose of regulatory requirements, check if such data is already being collected somewhere through other legislative instruments, assess the criteria that the collected information has to meet in order to be efficient and sufficient in practice, and identify ways in which reporting can be made 'smart'. When detailing the criteria to be met for reporting to be efficient in practice, the Vademecum describes the importance of ensuring interoperability and agreeing on clear, simple, practical and uniform definitions, indicators, method of determination, format, timetable and frequency⁷⁴.

The Vademecum can also be seen instrumental to the implementation of the DataStrategy@EC. More specifically, the Vademecum can act as an input or as a foundation of Action 8 of the DataStrategy@EC, namely Data Policies, which foresees the drafting of guidelines aiming to standardise the data management processes and procedures within the organisation throughout the full data lifecycle.

3.3 Case study 3 – Streamlining of reporting processes in the energy and climate domains

The Directorate-General for Energy (**DG ENER**) is responsible for the EU's energy policy: secure, sustainable, and competitively priced energy for Europe⁷⁵. DG ENER handles multiple reporting data flows related to the energy domain. It has also conducted a Fitness Check on Reporting, Planning and Monitoring Obligations in the EU Energy acquis⁷⁶. One of its results is the recent adoption of a new Regulation on the Governance of the Energy Union and Climate Action⁷⁷, which collects all regulatory requirements for the Member States in one place. For this case study, two interviews were held with experts at DG ENER from Unit A.1 Energy policy coordination, A.4 Economic analysis and Financial instruments and DG MOVE/ENER Shared Directorate Unit 2 Information management and systems. The rest of the section presents the main findings concerning the regulatory reporting ecosystem at DG ENER.

⁷⁴Make it Work (2016), Drafting Principles for smarter environmental reporting, available at: <https://www.omgevingswetportaal.nl/binaries/omgevingswetportaal/documenten/rapporten/2017/06/14/drafting-principles-for-smarter-environmental-reporting/Drafting+principles+environmental+reporting.pdf> (last accessed on 11/05/2019).

⁷⁵ More information about the DG is available at: https://ec.europa.eu/info/departments/energy_en (last accessed on 11/05/2019)

⁷⁶ SWD(2016) 397 final, COMMISSION STAFF WORKING DOCUMENT FITNESS CHECK Reporting, Planning and Monitoring Obligations in the EU Energy acquis, Brussels, 30.11.2016.

⁷⁷ Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (Text with EEA relevance.), OJ L 328, 21.12.2018, p.1 – 77.

3.3.1 *Our understanding of the context & background*

Scope and purpose of regulatory reporting

At DG ENER regulatory reporting is primarily seen through the prism of the Member States. More specifically, with the adoption of the new Regulation on the Governance of the Energy Union and Climate Action, reporting takes place in the form of integrated reporting, which aims at providing consistent information to assess policy impact and progress towards domestic and national targets, and the achievement of the Energy Union objectives⁷⁸.

The main purpose of introducing integrated reporting at DG ENER was to put together different reporting streams in sectorial regulations and try to streamline and integrate them. Overall, the main goal of gathering data at DG ENER is to measure EU and Member States' progress in meeting the energy targets set out in the 2030 Energy Strategy⁷⁹. The main objectives are to measure compliance and to verify if policy implementation is on track. The new legislative framework aims at providing a holistic integrated reporting view of the different sectors. Nevertheless, it is important to acknowledge that there are also regulatory data submitted to DG ENER by private entities working in the energy domain as well.

Fitness Check Evaluation of Planning and Reporting

In 2018, DG ENER finalised the Fitness Check Evaluation of Planning and Reporting obligations in the EU energy acquis. The main motivation of the Fitness Check was an effort to streamline the existing reporting requirements in the energy domain. At the time of the Fitness Check there were some 58 reporting and 15 planning obligations, as well as 6 evaluations and 11 statistical obligations, contained in 31 pieces of legislation (thus 90 obligations in total)⁸⁰ in the energy domain. The Fitness Check showed that a large majority of the obligations deemed highly effective in reaching their objective. On the other hand, among some of the preliminary challenges identified through the Fitness Check were the following:

- There are not enough online platforms and lack of their common use across the obligations. The use of these was only identified for 24 obligations. To illustrate, in the case of ad hoc reports Member States often rely on emails (for example, national governments need to report any new inter-governmental agreements that they come to and this is done via emails without any dedicated template as all agreements are different).;

⁷⁸ As specified in the report on Possible streamlining of climate and energy reporting requirements in areas with interlinkages, available at: <https://publications.europa.eu/en/publication-detail/-/publication/ce377b17-f4e1-11e6-8a35-01aa75ed71a1/language-en> (last accessed on 11/05/2019).

⁷⁹ More information available at: <https://ec.europa.eu/energy/en/topics/energy-strategy-and-energy-union/2030-energy-strategy> (last accessed on 11/05/2019).

⁸⁰ Preparatory Study for the Fitness Check Evaluation of Planning and Reporting obligations in the EU energy acquis and for an Impact Assessment for legislative proposals on streamlining, available at: <https://ec.europa.eu/energy/en/studies/preparatory-study-fitness-check-evaluation-planning-and-reporting-obligations-eu-energy> (last accessed on 11/05/2019).

- The timing and periodicity vary from every week up to every 10 years, depending on the purpose of reporting, which imposes a challenge for streamlining obligations;
- There are overlaps in the data requirements (e.g. same data reported to Eurostat database and DG ENER);
- There is room for improvement in the coherence between obligations in the fields of energy and climate change.

3.3.2 Key actors involved in regulatory reporting

There are several stakeholders involved in the reporting process in the energy domain. At the European level, DG ENER is the main stakeholder setting up regulatory requirements and also receiving and handling incoming regulatory data flows. However, under the new Regulation, some of the incoming regulatory reporting data will also be collected and used by DG CLIMA and the JRC (this is further elaborated upon in section 3.3.3).

At the national level, majority of the reporting obligations fall upon different entities of national administrations, who submit reports to DG ENER. Some of the data submitted by the Member States to the Commission includes National Energy and Climate Plans, implemented policy measures, energy indicators and projections, and greenhouse gas emissions and projections⁸¹.

3.3.3 Regulatory reporting process

The regulatory reporting process in the energy domain will be significantly reshaped and streamlined as of 2020. This is largely due to the recent adoption of the Regulation on the Governance of the Energy Union and Climate Action, which collects all regulatory requirements in the energy and climate domain under one legislation. The Regulation emphasises the importance of meeting the EU's 2030 energy and climate targets and sets out how EU countries and the Commission should work together. Under the new Regulation, data on five dimensions of energy regulation will be collected from the Member States:

- Energy security;
- Internal market for energy;
- Energy efficiency;
- Decarbonisation, including renewable energy;
- Research innovation and competitiveness.

The new Regulation details the purpose and the scope of regulatory information to be submitted by the Member States. Furthermore, two implementing acts detailing the format, what the Member States need to report, the standards, the templates that they will find and how the legal obligation of reporting will be fulfilled are to be adopted. One implementing act will be elaborated by DG CLIMA and will go

⁸¹ As specified in the report on Possible streamlining of climate and energy reporting requirements in areas with interlinkages, available at: <https://publications.europa.eu/en/publication-detail/-/publication/ce377b17-f4e1-11e6-8a35-01aa75ed71a1/language-en>. (last accessed on 11/05/2019).

into inter-service consultation in September 2019. DG ENER will work on the second implementing act, which is expected to go through the inter-service consultation in December 2019.

Under the new Regulation, all Member States must adopt National Energy and Climate Plans. Member States will be required to submit project progress reports (PPRs) on the implementation of those plans on a yearly basis as of 2021, as specified in the new Regulation. All Member States will be required to submit the PPRs through the eReporting platform (referred to as the e-Platform), which is currently being developed by DG ENER.

It is important to note that, given the broadness of the new Regulation, several DGs will be involved in the processing of the reporting data. Namely, DG ENER will be responsible for collecting data from all five abovementioned areas, with DG CLIMA and the JRC also supplying and reusing some data. More specifically, the EEA (on behalf of DG CLIMA) will be collecting some data on the decarbonisation dimension and the JRC will be collecting some data on the research innovation and competitiveness dimension. Some data from Eurostat will be reused to pre-fill reports for the Member States.

Given the above, DG ENER has set up a dedicated task force, which includes officers from both policy and IT Units at DG ENER to ensure that the new e-Platform is set up in the most coordinated way and caters to everyone's needs. The task force will also be the gate-keeper of any new regulatory requirements to be asked from the Member States. They will check whether the requirements are suitable, cannot be replaced with other already existing data sets and are asked in the right format.

3.3.4 The role of information technology in regulatory reporting

Following the REFIT exercise and the adoption of the new Regulation, DG ENER has put together the above-referred task force to develop the e-Platform, which will support regulatory data flows. Article 23 of the new Regulation specifies that the e-Platform will be the only acceptable way to submit regulatory reporting data. DG ENER is legally obliged to make the platform operational by 2020.

The policy officers at DG ENER stressed that through the e-Platform, they will aim to implement the once-only principle as much as possible. Hence, the task force is working with Eurostat and the JRC to identify any suitable data sets that can be reused by the e-Platform. This will ensure that the platform automatically retrieves the relevant data from these organisations and that the Member States receive pre-filled requests for input, that they are also able to update if needed.

The platform will be used for dissemination as well. There is a legal obligation to facilitate access to energy information for the public. The initial step in dissemination will be the provision of the Member States' plans through a repository on the platform.

Given that more than one DG will be involved in collecting the data from Member States through the e-Platform, the main aim of its developers is to have a single interface for reporting by the Member States. Furthermore, it is important to ensure interoperability between different European Commission actors and systems involved in the process.

3.3.5 Coherence with EU-wide initiatives on interoperability and data management

The above-mentioned planned developments in the environmental regulatory reporting are strongly focused on interoperability. It will be crucial to ensure interoperability of the incoming and existing reporting data flows. The actions taken by DG ENER are largely coherent with the EIF recommendation 27 on legal interoperability, as the involved actors have undertaken a broad exercise in compiling all regulatory requirements in one single Regulation, whilst ensuring consistency with other legislations in the energy and climate acquis and have identified and are now working on overcoming the potential barriers to interoperability.

When it comes to the DataStrategy@EC, several synergies and potential inputs can be identified⁸². More specifically, the e-Platform should be developed in synergy and consistency with the DataStrategy@EC, and feed /be fed by the corporate Data platform allowing for submission and reuse of data. DG ENER's task force could also offer insightful advice on the implementation of the 'Data Governance' action of the DataStrategy@EC, as they have gone through the exercise of identifying and establishing connections between the main stakeholders involved in regulatory reporting in the energy domain.

3.4 Case study 4 – Regulatory reporting for animal health and welfare policy

This last case study focuses on the animal health and welfare policy area, more specifically on the SIGMA Animal Disease Data Model⁸³, which is a comprehensive approach for the collection of standardised data on animal diseases. This case study gives a more practical and bottom-up overview of the regulatory reporting in this policy area, which is only one of the many policies under the responsibility of DG SANTE. As a matter of fact, an interview was conducted with experts from the European Food Safety Authority (EFSA)⁸⁴ which works closely with DG SANTE, in particular with regard to regulatory reporting practices⁸⁵. This agency of the EU provides independent advice and communicates on existing and emerging risks associated with the food chain. EFSA informs and supports the European Commission, the European Parliament and the EU Member States in taking effective decisions on risk management. This is required to ensure the protection of the health of European consumers and the safety of the food and feed chain. Therefore, the European Commission is continuously requesting EFSA for scientific and technical support in analysing for example animal disease outbreaks and to assess surveillance data. EFSA's policy domains are the food and feed safety, nutrition, animal health and welfare, plant protection and plant health⁸⁶. EFSA's risk assessment

⁸² Based on the analysis of the DataStrategy@EC Action Plan Implementation, Data4Policy SHERPA meeting from 11 December 2018.

⁸³ EFSA (2018), SIGMA comprehensive animal disease data collection, Event Report.

⁸⁴ More information is available at: <http://www.efsa.europa.eu/> (last accessed on 11/05/2019).

⁸⁵ At the time of the case study interview process, the project officers from DG SANTE were not available for an interview.

⁸⁶ More information about the key areas under EFSA's responsibility is available at: <https://www.efsa.europa.eu/en/aboutefsa> (last accessed on 11/05/2019).

is based on data collected from EU Member States, from industry and from its own procured data collections.

In the context of animal health and welfare, which is the use case studied in this report, EFSA aims to work closely together with EU Member States: to avoid double reporting; to increase the quality of the data received, ensuring data protection; and to provide EU Member States with tools to produce automatically their own draft national reports. With this purpose, EFSA launched the SIGMA project that has initiated a process of data harmonisation, standardisation and technical development on data submission, validation, analysis and reporting related to epidemiological information of animal disease.

As mentioned above, an interview was conducted with EFSA experts working on the SIGMA project and dealing with the policy area of animal health and welfare. It is important indeed, to underline for our scope of study that the SIGMA project covers only a segment of EFSA's activities, as do the experts.

3.4.1 Our understanding of the context & background

As EFSA's objective is to protect and preserve the health of European consumers and the safety of the food and feed chain, the Authority collects a wide amount of data from Member States, including regulatory data. Considering EFSA's experience in collecting animal disease data and the constant progress made in information technology, EFSA has decided to launch a process to harmonise its various activities in this field. The growing demand for evidence-based scientific advice for risk managers to address threats to animal health also pushes for more harmonisation in this area. EFSA intends to work closely with the Member States to reduce the effort in providing data to the Authority.

Therefore, the purpose of harmonising regulatory reporting activities in the frame of animal health and welfare is to avoid overlaps and double reporting as well as to increase the quality of the data received from the Member States.

Scope and purpose of regulatory reporting

The interviewees from EFSA reported that within their Authority, data have been collected in different ways across units and over time. Data collection and reporting practices are not yet fully standardised across EFSA units. In effect, their work is based on the mandates that they receive from the European Commission. The main challenge at EFSA, when it comes to data collection, is the fact that the European Commission might change the terms of reference of the mandates, based on the specific needs, resulting in a possible change to the data collection (e.g. new data elements, different terminology, new business rules applied to the collected data). As a result, EFSA needs to adjust over time the data collection to make it fit to the specific requests of the mandates. This has also an obvious impact on the EU Member States which have to absorb all these changes and on the consistency over time of the collected data.

Furthermore, EFSA faces another challenge, namely the need for complete, detailed and fit for purpose granularity of the collected data at support of, e.g., the risk factor analysis, which is one of the most sophisticated analyses. In this case, whereas EFSA has the mandate from the Commission to provide

consistent risk analysis, it does not have the mandate to impose the submission of all needed data to the Member States. More specifically, the Member States are obliged by law to report on positive cases or activities co-funded by the EC, whereas the submission of negative results, which are needed for a proper risk factor analysis, is on a voluntary basis. Despite the lack of obligation on Member States and the additional burden in submitting fit for purpose data, EFSA is quite successful in gathering the necessary information, as Member States have the interest of receiving in return the risk analyses performed by the Authority.

Considering the challenging requests of the Commission and, on the other hand, the lack of harmonised and regulated data collection practices, EFSA decided to set up a process for the harmonisation of data models and technical development on data submission, validation, analysis and reporting under the SIGMA project. The main objectives of this project is to :

- Reduce the Member States' manual input of the data to be submitted to EFSA;
- Avoid double reporting to EFSA;
- Provide the Member States with tools to produce automatically their own draft national reports on animal health and surveillance in a protected environment to ensure data protection;
- Increase the quality of the data received from the Member States; and
- Shorten the time to retrieve up-to-date data, relevant for risk assessment purposes (referred to as *preparedness*).

In order to address those objectives, EFSA has put in place a harmonised Animal Disease Data Model (σ -ADM) which is tailored to potentially all animal diseases. This model aims to ensure and strengthen the harmonisation and standardisation of different data collection processes and models. σ -ADM focuses on data that are known to be already collected by several Member States under different legal frameworks and for different purposes. Indeed, the objective of this model is to harmonise the data collection and reporting requirements processes that go hand in hand with the harmonisation of the collected data.

In the context of our study, all parties will benefit from the SIGMA project: the EU Member States, EFSA and DG SANTE. One of the actions of this project is to move away from unstructured animal disease data to something more comprehensive and streamlined. By making data more structured and standardised, the Member States' reporting process will be facilitated, as well as the collecting and analysing processes of EFSA and DG SANTE. This project emphasises the streamlining of regulatory reporting activities and, therefore, the standardisation of data flows.

3.4.2 Key actors involved in regulatory reporting

As part of the regulatory reporting process related to the animal health and welfare policy area, three main stakeholder groups are involved.

- DG SANTE, which assigns scientific mandates to EFSA, leaving to the Authority the task of collecting the relevant data from the Member States. Part of the data submissions have a legal basis (i.e. submission is mandatory) and part are submitted on a voluntary basis.
- EFSA, which collects data from Member States. As explained in the previous section, Member States are not always obliged to submit animal disease data and/or animal population

demography data to EFSA at the necessary granularity, but they do so anyway because they are aware that this is for a good cause, since health data are crucial for the population, for example.

- Member States that provides data to DG SANTE, *via* EFSA.

By studying reporting requirements in health legislation, different stakeholders are involved. Indeed, the main stakeholders concerned are the Member States, European Agencies such as the European Commission, the Committee on the Food Chain and Animal Health and Marketing authorisations holders. For some legislation⁸⁷, national competent authorities communicate their national data (e.g. pesticide residues⁸⁸) to the European Commission and to EFSA at least three months before the end of each calendar year.

3.4.3 Regulatory reporting process

Each year, the European Commission may introduce new EU legislation in the food safety domain requiring Member States to submit certain aggregated data for activity/budget reporting purposes (e.g. co-funded surveillance activities). In this respect, Member States must submit these data to the Commission for compliance purposes. However, these additional requests represent an additional burden for national authorities, since they have to change their reporting data schemes, which can be a significant task for them.

At the moment, the EU Member States have to manually enter the data into the Animal Disease Notification System (ADNS)⁸⁹, which is a notification system designed to register and document the evolution of the situation of important infectious animal diseases. This is done in accordance with the Council Directive 82/894/EEC, which makes it compulsory for the EU countries to notify primary and secondary outbreaks of listed infectious animal diseases such as Foot and Mouth Disease, Classical swine fever, Newcastle disease, etc. However, these data are not collected for the purpose of performing risk analysis and many variables are critically missing, making any risk factor analysis impossible.

To overcome this problem, EFSA puts in place *ad hoc* data collections to gather essential information, missing from other systems, to address the requests related to the ongoing mandates of the Commission. This results in an additional burden for the EU Member States. In order to simplify and reduce the burden on both sides, for the Member States and EFSA, the SIGMA project aims to ensure interoperability by mapping all the national data structures to the common SIGMA Animal Disease Data Model – σ -ADM model. This harmonised data model has been conceived to gather standardised data from the concerned Member States and, where possible, from existing data collection systems already in place. The data reported by the Member States are then collected by means of the EFSA Data Collection Framework⁹⁰ (DCF) and its integrated controlled terminology and validation rules. The DCF

⁸⁷ Regulation 396/2005 on maximum residue levels of pesticides in or on food and feed of plant and animal origin and Regulation (EU) No 1235/2010 amending, as regards pharmacovigilance of medicinal products for human use, Regulation (EC) No 726/2004 laying down Community procedures for the authorisation and supervision of medicinal products for human and veterinary use and establishing a European Medicines Agency.

⁸⁸ <https://efsa.onlinelibrary.wiley.com/doi/epdf/10.2903/j.efsa.2019.5655> (last accessed on 11/05/2019).

⁸⁹ https://ec.europa.eu/food/animals/animal-diseases/not-system_en (last accessed on 11/05/2019).

⁹⁰ <https://dcf.efsa.europa.eu/dcf-war/dc> (last accessed on 11/05/2019).

system covers different food safety domain and the related guidelines allow to validate the terminology and the consistency of the data collected.

In order to correctly interpret the data, which are crucial for human health, the SIGMA project plays an important role with the help of a Consortium (following a procurement awarded by EFSA) in centralising the data in a single national data collection point. Once centralised within the country, the data can then be standardised against σ -ADM and then automatically submitted to EFSA. After this process, the information is ready to be analysed by EFSA. Indeed, these data will allow EFSA to carry out risk assessments at European level using harmonised information, as well as produce highly comparable results. In return, EU Member States that have provided the data will have the opportunity to produce their own national reports, by means of an interface set up by EFSA.

3.4.4 The role of information technology in regulatory reporting

In the studied context, there are two main IT tools used by EFSA to help stakeholders submitting regulatory data: the DCF for structured data; and the Knowledge Junction⁹¹ for unstructured data.

Through the DCF, Member States can submit data in XML format covering different mandates of EFSA. The DCF application aims at simplifying the data collection procedure between stakeholders and at facilitating data exchange and data reusability. Consequently, the data are transmitted to EFSA via the DCF, which includes business rules for the data validation.

DCF allows the data provider to submit data in XML format through a web interface/ service that is based on the Standard Sample Description 2.0⁹² (SSD2) data model. EFSA prepared dedicated guidelines, Guidance on Data Exchange version 2.0 (GDE2)⁹³ covering the reporting process in order to support the Member States in their data submission using the data model. These technical guidelines are aimed to guide the EU Member States by explaining in detail the individual data elements included in the EFSA SSD2 data model to be used for the XML data transmission through DCF, based on the GDE2 protocol. They also explain the data to be reported and present a list of allowed terms and business rules or requirements that may apply.

3.4.5 Coherence with EU-wide initiatives on interoperability and data management

It is now clear that EFSA aims to streamline its data collection and regulatory reporting processes through the implementation of the DCF, the SSD2 and the σ -ADM model. When collecting data from the Member States, EFSA aims to standardise them in order to analyse the information in a more effective way. EFSA aims to ensure the consistency of its data collection and analysis processes over time and across different domains. Through the SIGMA project (σ -ADM and related IT architecture), EFSA has the ambition to reduce the burden on Member States, by facilitating the data submission task in their organisations. EFSA intends to work closely with Member States on data collection, in

⁹¹ The Knowledge Junction is a curated, open repository for the exchange of evidence and supporting materials used in food and feed safety risk assessments. See: <https://zenodo.org/communities/efsa-kj/?page=1&size=20> (last accessed on 11/05/2019)

⁹² <https://www.efsa.europa.eu/fr/efsajournal/pub/3424> (last accessed on 11/05/2019).

⁹³ Guidelines are available at: <https://www.efsa.europa.eu/en/efsajournal/pub/3945> (last access on 11/05/2019).

particular to provide them with models and tools that enable the automated production of the national reports in a protected environment, ensuring both data protection and data confidentiality. In this respect, EFSA's reporting practices are consistent with EIF Recommendation 27 on legal interoperability.

Regarding the data submission, the DCF web service allows the data providers to submit data in XML format. This web service facilitates data collection from various sources through an online web page where authorised users only can submit and search for data. The DCF is consistent with the DataStrategy@EC Data Catalogue action. Indeed, the DCF also allows the use of data standards, with the SSD2 model and the σ -ADM, that are aligned with those of other organisations in order to streamline the data collected.

4. Conclusions & Recommendations

4.1 Main Conclusions

There are several common themes that emerge from the data collected from the four case studies. This section contains the main findings from the case studies, which are presented as follows: regulatory reporting scope and process, identified challenges and the identified best practices.

Conclusion #1: The main scope and purpose of the regulatory reporting is to ensure compliance with the obligations from EU law, but regulatory data should be used for other complementary purposes as well.

Following the conducted desk research and scoping interviews, the following definition was put forward in this study: *“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.”* Furthermore, from the analysed case studies, the conducted comparative analysis in Chapter 2 of the study and the validation workshop, one can conclude that at the present moment the *main* purpose of regulatory reporting is seen as the collection of data required by the European legislation to check compliance by the concerned stakeholders. More specifically, the data is used to **assess whether the Member States or businesses are complying** with the provisions of an EU law in a timely manner. However, one should not limit the use of data collected through the process of regulatory reporting for a single purpose. EFSA uses the data to perform risk analysis associated with animal health and welfare, and other areas under its responsibility. More broadly, the Vademecum of DG ENV details and encourages other possible uses of the collected regulatory data, such as:

- **Evaluate effectiveness of a Directive/Regulation.** The data might be used as an input to evaluate whether the EU law is achieving its objectives effectively.
- **Input to the development of a new EU policy.** The data might be used to form evidence for the formulation of a new EU level policy.
- **Informing the public.** Depending on the purpose of the data, some of it might be published and disseminated for the use by the wider public.
- **Measuring the state-of-play or analyse risks in a specific domain.** The gathered data might be used to assess the state-of-play of e.g. food safety, environment or energy across Europe.

Hence, whilst regulatory reporting is traditionally seen as an input to the monitoring part of the European policy cycle, it can equally act as an input to other purposes.

Conclusion #2: The approach of setting up reporting requirements is similar across the analysed European Commission services with slight variations depending on the domain and the type of data being collected.

The regulatory reporting process across the analysed case studies can be roughly divided into three main stages: setting of regulatory requirements, data collection and data use. The conducted research confirmed that most analysed DGs take a similar approach to set regulatory requirements. In this respect, the need for reporting information is normally stipulated in a basic act (Regulation or a Directive), which details the purpose of reporting, the scope and the types of the required information and the intended use of the reported information. It is worth noting that the Vademecum of DG ENV on best practices for regulatory reporting, stresses the importance of assessing the purpose of the reporting information to be collected and to consider the following criteria: sufficiency and proportionality; quality; comparability; timeliness and continuity; practicability; and consistency across sector/acquis. These criteria should be considered while drafting the basic act to ensure smooth reporting process for the affected stakeholders defined at that level. The basic act is then followed by implementing or delegated acts detailing what data exactly is to be reported, how frequently and sometimes also in what way. It is important to highlight that most consulted stakeholders stressed the fact that it is important to detail only *general* reporting requirements in the basic act, for the ease of maintaining the specifications, as it is difficult to amend the legislation in the future. On the other hand, recognising the unavoidable evolution of regulatory requirements in some of the domains, Eurostat defines the data to be collected in an annual act. Finally, some DGs also put together non-legally binding guidelines for stakeholders concerned by the reporting requirements, the purpose of which is to offer flexibility in relation to the practicalities of reporting, as is the case with EFSA's GDE2 guidelines. The guidelines can offer hands-on details to those concerned by the reporting requirements on how and in what way the required data is to be reported.

Conclusion #3: The process of collecting regulatory data varies across the analysed Commission services, but it is streamlined by the use of information technology.

When it comes to reporting data flows, there is some variation across the DGs. At the European level, both the DGs and European agencies play an important role. In some cases, the handling of data flows is done by the agencies (such is the case of EEA), in others, it is done by the DG (such is the case of DG ENER). In the case of DG FISMA, most of the regulatory data is collected at the national level by the National Competent Authorities (NCAs). When it comes to stakeholders submitting regulatory reporting data, there are more commonalities. Namely, in all analysed case studies, both private and public entities are concerned by the regulatory requirements – in some DGs there is more reporting done by the former, in some more by the latter.

Finally, supporting tools are used in all analysed cases of regulatory reporting. In some case studies these are used to handle some of the incoming data flows (e.g. Reportnet managed by the EEA), in others a centralised tool is developed for managing of all the flows (e.g. the e-Platform being developed by DG ENER). Furthermore, DG FISMA has developed an internal tool for the European Commission, KOEL, which contains information on all the existing regulatory requirements across the financial acquis.

Conclusion #4: Several organisational challenges stand in the way of streamlining regulatory reporting.

Several barriers to smooth regulatory reporting practices across the European Commission have been identified in the analysed case studies and through desk research. These barriers relate to the process of setting up of regulatory requirements, the organisational challenges faced by the involved stakeholders and the missed opportunities related to streamlining of the reporting data lifecycle.

- Regulatory reporting process:
 - Having regulatory requirements set out in **detail in the basic legal act** leads to very limited flexibility. It takes time to amend a legal act because it has to go through a long validation process.
 - Not thinking about the needed data and the purpose for which it is being collected from the **very start** might result in failure to establish synergies.
 - There is a lack of consistency in the **periodicity** of the reporting obligations, which leads to extra burden on the stakeholders and duplication of efforts.
- Organisational challenges:
 - **Failure to communicate** between concerned DGs and agencies when setting regulatory requirements means that some potential synergies or lessons learned are not taken on board.
 - The process of setting out regulatory requirements **is not always fully under control** of the DGs themselves. Through the co-decision procedure, the Council and European Parliament often add clauses that complicate the process of reporting.
- Missed opportunities:
 - **Asking twice** for the already available data through other initiatives (e.g. Eurostat, Copernicus project).
 - **Not specifying the use** of templates and not standardising the formats for reporting obligations leading to burden for those processing the data.
 - **Failure to consult national stakeholders** who will be affected by the regulatory obligations might lead to bottlenecks and challenges when the time comes to submit the requested data.

Most of the identified challenges associated with the regulatory reporting flows are complementary and in line with the findings of the Fitness Checks analysed in the scope of this study.

Conclusion #5: Despite the identification of several challenges to the regulatory reporting process across the case studies, numerous best practices also emerged.

The best practices related to the process of setting of regulatory requirements itself, the collaboration between various stakeholders and the standardisation of the reporting process.

- Setting of regulatory reporting requirements:
 - **Detail** all the nuances related to the regulatory requirements (such as type of data, the format, the frequency, etc.) in the implementing or delegated acts.

- **Map existing national data structures** to ensure interoperability and enhance understanding of existing data.
- **Streamline reporting requirements** into a single piece (or as few as possible) of legislation
- Prepare **internal guidelines**, such as the Vademecum of DG ENV that can be followed by policy officers and other stakeholders when setting up regulatory requirements.
- Stakeholder collaboration:
 - **Establish ties** across Commission DGs and services, agencies of the EU and European Institutions (primarily the co-legislators), national experts to ensure coherence, coordination and clarity on the reporting requirements. This, consequently, helps to improve the experience of the reporting parties.
- Regulatory reporting process:
 - Establish **standardised ways** and means of submitting reporting obligations (e.g. through an electronic platform with pre-filled data).
 - Prepare **specific guidelines** for stakeholders who will be working with implementing regulatory requirements.

The identified best practices were endorsed by the stakeholders present at the Concluding workshop of this study, which took place on 5 April 2019.

4.2 Proposed Recommendations

Based on the main findings and conclusions from the case studies, several recommendations have been put together. The proposed recommendations are addressed to various stakeholders across the Commission that have a role to play in the regulatory reporting landscape.

Recommendation #1: Create guiding documents on the regulatory reporting process.

As mentioned in the conclusions, the Vademecum prepared by DG ENV or EFSA's GDE2 guidelines could be seen as good practices when it comes to streamlining the process of regulatory reporting. DG ENV Vademecum breaks down the process of setting regulatory reporting practices into main steps and includes good examples and practices for each step. The Vademecum can inspire general guidelines. This could help the policy DGs to streamline and modernise their regulatory reporting processes, while observing the Better Regulation Guidelines and Toolbox. Following the creation of general guidelines, each DG should be encouraged to implement and adapt the guidelines according to the needs in their domain.

Recommendation #2: Promote further streamlining of regulatory reporting.

Given that the process of collecting regulatory data varies across the analysed Commission services, DIGIT could play a coordinating role and work to further promote the importance of streamlining regulatory practices across the European Commission together with SG and the Information Management and Scrutiny Board (IMSB). The KOEL tool developed by DG FISMA (or similar) could support this action around raising awareness of and streamlining existing regulatory reporting requirements, if applied throughout the European Commission.

Recommendation #3: Promote the reuse of IT tools supporting reporting.

All analysed case studies employed some sort of IT tools to assist in the data collection and analysis process. In light of this, DIGIT should promote the integration, use and reuse of *already existing* IT tools that support regulatory reporting processes, such as KOEL, DECLARE, ReportNet, and others. Furthermore, access to all available tools should be gathered in one location so that information about existing tools would be easily accessible by any policy officer. This would help to exchange best practices, improve data traceability and would avoid the duplication of work in developing supporting systems.

Recommendation #4: Establish synergies with the DataStrategy@EC.

Given the identified challenges in the process of regulatory reporting related to lack of coordination, lack of clear procedures for data collection and the fact that some data are asked twice, DIGIT should take the lessons learnt from this project, including the knowledge of the available tools, resources and data management systems at different DGs and feed them into the DataStrategy@EC to the extent possible. Furthermore, it is important to better understand and define the links between the regulatory reporting process and the data life cycle at the European Commission.

Recommendation #5: Establish a coordinating body to oversee the regulatory reporting process across the European Commission and further foster the regulatory reporting community.

The main challenges identified in the conclusions highlight that continued efforts are needed to improve the organisation and coordination of the regulatory reporting processes across the European Commission. In light of this, DIGIT could work with the SG and other interested DGs to establish a governance structure that would be of relevance for and supported by all Commission DGs concerned by regulatory reporting. This regulatory reporting governance should smoothly fit into the broader data, information and knowledge management framework and rely on existing structures and networks. Consequently, the related action should be fed into the Information Management Scrutiny Board's (IMSB) next work programme. This would help to legitimise any follow-up actions that might be taken in this respect. The new coordination body or governance structure could also ensure the implementation of the rest of the above-presented recommendations. Finally, as part of the new body, DIGIT could continue fostering a community around the topic of regulatory reporting across the European Commission for the exchange of best practices and lessons learnt. This would help to ensure that the work that begun under this project is continued into the future.

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