

Chief Risk Officer Forum



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European harmonization of reporting formats

Dear Dr. Steffen,

Thank you for your letter dated 3 June 2008 asking for our views on the European harmonisation of reporting formats. I am pleased to provide you with the CRO Forum answers on your specific questions.

Concerning your first question; we agree that the suggested timetable should be in line with the Solvency II project. There are many good reasons for this. Firstly, the current framework differs across jurisdictions and the underlying data is not consistent as Members States apply different valuation bases. Therefore, using the current fragmented supervisory landscape as a starting point for a European wide reporting format would not be appropriate and we need the harmonization of principles that Solvency II brings.

Further we see the Solvency II project as in itself changing the fundamental basis and rationale for regulatory reporting. The new principles based approach to supervision will change the type of information required by supervisors and the timing thereof. There will be new information needs, for instance to support internal models. Supervisors too will need to give careful thought to the reporting requirements of groups, to satisfy solo and group supervision needs in a way which minimises the additional administrative burdens.



The time and effort involved in gearing up to comply with changed reporting is very high and it is definitely not a short term endeavour. We could not reasonably contemplate changes prior to Solvency II for what would be very short term objectives.

For all these reasons Solvency II will be the key determinant of supervisory information requirements for the foreseeable future. We see no realistic alternative therefore than to review reporting on a consistent timetable to that of Solvency II.

Regarding your second question; as at the current stage of discussion, Solvency II is intended only to apply to insurance undertakings and insurance groups, a sectoral focus seems to be more appropriate than a cross-sectoral harmonization of reporting formats. We are also aware of the concerns about the burden of reporting on the banking side. Nevertheless, we strongly recommend close cooperation between the Level three Committees in order to avoid unnecessary divergent developments on such fundamental issues. We still need to insist that appropriate consistency is crucial to avoid different reporting requirements relating to similar risks. This is also important for comparability.

Let me finally confirm our wish and commitment to be actively involved in the development process of efficient, useful and transparent harmonised reporting formats.

I look forward to continuing our excellent cooperation.

Yours sincerely,

The CRO Forum



Signed by
Joachim Oechslin
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