

Brussels, 19 September 2025

EFAMA RESPONSE TO ESMA DISCUSSION PAPER ON THE INTEGRATED COLLECTION OF FUNDS' DATA

Q1 Do you confirm the findings presented in this stocktake section? If you have additional information, please provide all relevant details.

EFAMA welcomes ESMA's extensive stocktaking exercise and concurs with the broad picture painted by the authority (please refer to our response to question no. 3 for additional colours). This analysis clearly demonstrates that more integrated reporting in the fund sector is essential for facilitating asset managers' cross-border operations, thereby reducing operational costs for end-investors and enhancing the competitiveness of European asset managers.

To develop a sensible and lasting reporting system, we are advocating for the establishment of an integrated reporting framework for UCITS and AIFs, as outlined in Option Integrated Reporting 2 (IR 2). The template should be modular to ensure that funds only report relevant information to authorities, recognising, among others, the differences between AIFs and UCITS. Moreover, this template should be the same across Europe to reduce the reporting burden for cross-border asset managers. Consequently, National Competent Authorities (NCAs) should not have the opportunity to adapt it to collect additional data points. Finally, to ensure complete consistency across fund reporting requirements, this framework should also replace the ECB's statistical reporting by introducing securities-by-securities reporting.

That said, when considering changes to the existing UCITS/AIFMD reporting, one must consider the following points:

- **Despite a strong preference for Option IR 2 as a long-term solution, our industry cannot provide definitive support for a specific approach at this stage.** Different options often depend on their political feasibility (e.g., the ECB's willingness to participate in this initiative, or the possibility of postponing the entry into force of the UCITS/AIFMD reporting requirements), on choices made elsewhere (e.g., the viability of Option IR 2 will depend on choices made in terms of content) and on other technical considerations (e.g., data semantics and cross-sectoral alignment).
- In line with the current focus on competitiveness and simplification, the discussion paper rightly points out that ESMA's objective should be to: 1) address areas of duplication and inconsistency, 2) enhance data standardisation, and 3) promote data sharing and re-use. Consistent with these objectives, **ESMA should ensure that, taken together, the various options envisaged (e.g., new data format, frequency, or reporting to a centralised system) do not increase the reporting burden borne by asset managers.**

- When evaluating the various options under consideration, one must remember that this initiative aims to improve national supervision by ensuring that NCAs have access to the data collected through other channels (e.g., by central banks or other NCAs). **Integrated reporting should not result in a shift in supervisory responsibilities. In particular, data collection and validation are core functions essential to effective supervision.** NCAs have developed deep, specialised knowledge and familiarity over their specific markets through decades of dedicated experience, investment in expertise, and continuous engagement. This expertise ensures rapid time-to-market for regulatory responses, operational agility in addressing emerging risks, and the adaptability necessary to respond to dynamic market conditions.
- **Supervisory reporting requires advanced IT systems that are costly and time-consuming to set up.** Considering that the current systems were developed relatively recently, ESMA should refrain from introducing wide-ranging changes when so much data is already available under other frameworks. For this reason, **ESMA should thoroughly assess the ‘business case’ for the different data it wishes to collect from the industry,** taking into account the requirements applicable to asset managers in other jurisdictions. When determining whether supervisors require a specific data point, ESMA must consider how NCAs intend to use that information and whether that data point can be derived from another dataset. While we strongly support a risk-based and data-driven supervision, we question whether frequent and granular reporting is always necessary. It is true that NCAs must, on rare occasions, rapidly intervene (e.g., to oversee the activation of an exceptional liquidity management tool). However, these instances are rare, and NCAs mostly perform an *ex post* supervisory and enforcement role.
- Considering how technical and interrelated certain topics are (e.g., reporting modularity, cross-sectoral alignment, and data semantics), **we strongly recommend that ESMA set up a public-private steering and expert groups similar to the one the ECB set up for the Banks’ Integrated Reporting Dictionary (BIRD) project:**
 - The **steering group** should ensure the overall consistency of the initiative. As outlined above, it is currently impossible to identify a definitive path for integrating existing reporting regimes (e.g., as outlined in our response to questions no. 5 and 6, Option IR 2 might not be feasible in the current context). Similarly, it cannot be excluded that the costs associated with integrated reporting might outweigh the benefits (e.g., Option IR 2 could be inappropriate if it indiscriminately results in monthly reporting for all funds).
 - The **expert groups** should deal with the various technical questions that require more in-depth consideration: a) data modularity (refers to our response to question no. 7), b) data semantics (refers to our response to question no. 8), c) data sharing (refers to our response to question no. 9), d) granularity (refers to our response to questions no. 15 to 17), e) reporting frequency (refers to our response to question no. 20) and f) cross-sectoral alignment (refers to our response to question no. 6).

In terms of composition, from the private side, the steering group should include EFAMA and representatives from national associations (which could choose to delegate this role to one of their members). The expert group should be composed of industry experts representative of the broader industry in terms of nationality and size. Considering that many asset managers rely on custodians and other third-party service providers to comply with some reporting requirements (e.g., statistical reporting), these stakeholders should also participate in the relevant expert groups.

- Lastly, **the new reporting framework should be developed for the long term and should not be subject to frequent reviews for the reasons outlined above.** Considering that the new UCITS/AIFMD framework is due to enter into force on April 16 2027, there will be insufficient time

to develop the ambitious Option IR 2. **We therefore strongly recommend that ESMA request additional time from the European Commission to develop this option.** Should the Commission object, we suggest that ESMA develop an integrated template that excludes statistical, securities-by-securities reporting as foreseen in par. 75 of the Discussion Paper. This information should be made available to securities supervisors through data sharing with central banks. In doing so, ESMA should ensure that this measure does not negatively impact member states, such as Slovenia, where an integrated reporting is already in place. **In any case, ESMA should not develop an interim reporting regime that would apply until Option IR 2 becomes available.**

Q2 What are the best practices for data collection for retail investment funds in EU and non-EU jurisdictions that ESMA could consider?

Integrating reporting in the EU is not about importing a specific national regime into the UCITS/AIFMD framework. The current EU reporting regime already ensures that asset managers report most, if not all, the data supervisors require in their day-to-day supervision. The specific challenge ESMA faces is to determine the kind of supranational regime that could ensure an efficient circulation of data among authorities. It will not find a solution to this puzzle in any national framework, as no member state has such a complex institutional setting. That said, inspiration could be drawn from jurisdictions where the supervisory and statistical reporting is already integrated.

Moreover, we challenge the distinction that ESMA makes in this question between retail and institutional funds. While we understand that this question arises from the absence of an EU reporting template for UCITS, it is problematic to assume that the reporting regimes for retail funds that exist in certain member states should serve as a model for the upcoming UCITS reporting regimes. Doing so would inevitably result in more stringent reporting requirements for many funds (e.g., some national regimes require daily reporting).

Q3 What challenges arising from overlapping EU-level and national reporting obligations (e.g. under AIFMD, UCITS, MMFR) does your institution experience? Please describe specific reporting overlaps and their operational impact quantifying and providing examples of redundant submissions.

Asset managers are subject to multiple reporting requirements at the EU level that often overlap (i.e., statistical, supervisory, and transaction reporting).

Per se, reporting is a complex endeavour that comes with significant compliance costs resulting from both manual operations and the development of IT infrastructures to automate it. Producing reports for supervisory authorities requires compiling data from various internal systems (including fund accounting, portfolio and risk management, and compliance) as well as third-party vendors in some cases. This results in organisational complexity, especially where data aggregation, reconciliation and enrichment must be performed manually or across non-aligned platforms. For example, risk metrics and stress test results are typically managed by internal risk and compliance functions and must be manually incorporated into reports. From this perspective, the new AIFMD/UCITS requirement to report on delegation arrangements will undoubtedly further increase this complexity.

Moreover, reporting obligations do not end with the submission of data. Supervisory authorities often run automated data quality checks and consistency validations. Asset managers are expected to respond to follow-up queries and requests for corrections. These additional interactions – which can arise even when data is formally compliant with the reporting schema – require dedicated resources and coordination between operational, risk and regulatory teams, further increasing the indirect compliance burden. In the European context, these challenges are compounded by the fact that, after receiving data from NCAs,

ESMA may require them to follow different data validation rules, which can result in requests from NCAs to asset managers to recalculate and resubmit specific data points.

Beyond the reporting requirements well-identified in the Discussion Paper, one should also note that asset managers are subject, through their clients, to reporting requirements applying to other financial sectors (e.g., Solvency II and IORP) and to ad hoc reporting to ESMA (e.g., during Common Supervisory Actions (CSAs) and, based on Article 24(5) AIFMD, during periods of stress, as was the case during the COVID-19 crisis) and other European and International bodies (e.g., ESRB's data collection on real estate funds or IMF, IOSCO, and FSB's data collection on fund liquidity). These ad hoc reporting requirements are not insignificant and can sometimes require the development of dedicated IT projects.

Finally, even when national authorities do not introduce additional reporting requirements on top of EU ones, dealing with these various requirements can quickly become even more complex and costly when asset managers have to report to different NCAs with varying expectations in terms of template, format, granularity, and frequency. Depending on their corporate strategies, asset managers will be subject to different national reporting requirements:

- Asset managers with intra-group or third-party delegates conducting portfolio or risk management functions in other countries may have to report the same information to the NCAs supervising the asset manager and the delegates;
- Asset managers with branches can be subject to specific reporting requirements in the host jurisdictions. Because host NCAs are competent for supervising conduct (Art. 17 UCITS and 45(2) AIFMD), these NCAs can impose specific reporting obligations on local branches (Art. 22(1-2) UCITS and 45(3) AIFMD);
- Even though there is no legal provision foreseeing this possibility, asset managers that distribute UCITS funds domiciled in different jurisdictions will have to comply with the applicable reporting regime in these different domiciles. Most large fund domiciles have established their own reporting regimes, which frequently differ from one another. Considering that many asset managers manage UCITS funds from several domiciles (e.g., BE, DE, FR, IE, and LU), this reporting can be particularly burdensome for them; and
- Asset managers that distribute cross-border funds in specific jurisdictions may also be directly or indirectly subject to additional reporting requirements so that host NCAs can fulfil their own supervisory responsibilities (Art. 22(2) UCITS and 45(3) AIFMD). At least a handful of NCAs make use of this legal provision at the moment.

While reporting to several NCAs is not a problem in itself, and in fact probably a necessity as recognised in our response to Qs 9 and 10, it does require specific efforts to ensure that these various national requirements do not result in undue reporting duplications or increased cost, particularly for smaller firms, who often require dedicated service providers to manage their submissions.

Q4 Do you support the objective of developing a more integrated reporting framework covering AIFMD, UCITS, MMFR, and ECB statistical reporting? What are the key obstacles or risks linked to integrating fund reporting frameworks?

Yes, EFAMA supports the objective of developing a more integrated reporting framework that covers the AIFMD, UCITS, and the ECB statistical reporting.

A separate MMFR reporting regime should, however, remain in place for the time being, as it was introduced more recently. In comparison with the AIFMD reporting, which began in July 2013, the MMFR reporting only commenced in September 2020. It will take more time before we can draw the lessons from that regime.

However, there are **several challenges** to overcome to achieve greater integration:

- Integrated reporting may result in similar reporting requirements for all funds. As outlined further in our response to question no. 7, differences in investment strategies, asset liquidity and fund structures have an impact on the data that should be reported and the frequency at which it is done;
- Integrated reporting would require close collaboration between securities supervisors and central banks. Option IR 1 would require the ECB to share securities holding statistics with securities supervisors. Options IR 2 and IR 3 would require that the ECB agree to replace the reporting under Regulation 2024/1988 with this integrated reporting. Failing this, and in the absence of sufficient coordination between ESMA and the ECB, the UCITS/AIFMD and ECB frameworks are bound to diverge over time. Asset managers would again have to submit slightly different information at potentially different frequencies, using different terminologies and formats;
- Integrated reporting would require quite a few changes to the EU and national frameworks, resulting in operational costs for all the parties involved. Replacing the current patchwork of EU and national reporting requirements with a single reporting framework for funds will require member states to remove reporting requirements they have introduced, over time, in addition to EU requirements. As explored in the section on data collection and sharing, it would also require determining for each member state a single authority responsible for this integrated reporting. In some jurisdictions, introducing a harmonised syntax for fund reporting would require a transition in member states where other data formats are still used (e.g., Excel). Under Option IR 2, asset managers that currently rely on custodians for their statistical reporting will be required to develop their own IT systems to report securities-by-securities data. These will inevitably result in additional compliance costs;
- Semantic fragmentation and differences in data validation procedures could undermine the very objective of this initiative. These differences could compromise data comparability, complicate data sharing, and lead to a greater reliance on ad hoc reporting; and
- Lastly, as outlined in various responses to this consultation, integrated reporting would be an ambitious and time-consuming endeavour. However, we note that the new UCITS/AIFMD reporting regime is due to take effect on April 16, 2027. The remaining time is grossly insufficient, especially when one considers that asset managers would need at least one and a half years to prepare for the transition.

Q5 Please list your preferred option of those listed in this section and highlight any other option or combination of the ones listed here that you consider effective. In your response, please outline the main expected costs and benefits associated with the options proposed, and identify any preconditions or phased implementation steps that would be necessary to ensure feasibility and proportionality.

EFAMA supports Option IR 2, a fully integrated UCITS, AIFMD, and ECB reporting (excluding MMFR reporting for the reasons outlined in our response to the previous question). It would ensure that authorities receive the necessary supervisory information while also reducing reporting duplication for asset managers.

First, in line with the recent AIFMD/UCITS review, this option would ensure that supervisors have access to more granular data. Rather than providing information on top markets, instruments, and counterparties, asset managers will provide securities-by-securities data, which is currently only available to central banks. This will give them more visibility into the fund's investment strategies and risk profile, enabling them to conduct more detailed analyses. Enhanced data sharing, as discussed in the section on data collection,

would also ensure that NCAs have access to some data collected by other national authorities (e.g., on funds distributed within their territory or funds investing in their local markets).

Second, this integrated reporting would also reduce the reporting burden on asset managers. It would ensure that asset managers report the same information following the same standards across Europe. Unlike under Option IR 3, NCAs would not have the possibility to introduce an additional layer of reporting. A harmonised framework across Europe would, moreover, pave the way for more efficient data sharing. This would eliminate the necessity for other NCAs (e.g., NCAs supervising delegates or host NCAs) to collect any more data. It will also reduce complexity for asset managers that distribute UCITS funds domiciled in different jurisdictions. While it will not change the fact that these asset managers must report to several UCITS home NCAs, it does remove the complexity that stems from diverging national reporting requirements.

Considering the challenges outlined in our response to question no. 5, **we make the following recommendations to ESMA:**

- **It should request additional time from the European Commission to develop Option IR 2.** ESMA will not have the time to make this option a reality before the entry into force of the reporting requirement foreseen in the recent AIFMD/UCITS review;
- **It should not introduce any interim reporting regime during the time it develops Option IR 2.** As outlined previously, changes to reporting regimes are costly and time-consuming for the industry to implement; and
- **It should set up a public-private steering group (as described in our response to question no. 1) to ensure that the industry has a say in the arbitrage necessary to make integrated reporting a reality.** For instance, if Option IR 2 is unfeasible, the industry should be involved in determining the best alternative (e.g., the sub-scenario outlined in par. 75, complemented by a data-sharing agreement between securities supervisors and central banks as envisioned under Option IR 1).

Q6 To what extent should the integration or alignment of supervisory and statistical reporting extend beyond the asset management frameworks, such as EMIR, SFTR, or MiFID/MiFIR? What challenges do you foresee? Are there additional reporting regimes that should be considered for future alignment with asset management reporting?

In line with the 'report once' principle, it is important to consider how NCAs can use different reporting frameworks in a complementary manner. **EFAMA strongly recommends that ESMA explore whether NCAs can complement supervisory data with transaction data in their day-to-day supervision.** This could, for instance, allow NCAs to follow a fund's recent trading history and make some supervisory data currently reported superfluous (e.g., data related to trading, clearing, and counterparties).

Considering that this would be a technical endeavour, it should be discussed within the expert group we suggested in our response to question no. 1. Aligning semantics between supervisory reporting and transaction reporting seems to be an evident starting point for harmonising supervisory and transaction reporting.

That said, **we strongly oppose integrating supervisory and transaction reporting into a single reporting framework** because supervisory and transaction data are of a different nature. These are not held and accessible to the same people within a firm, and respond to different logics.

Q7 How should this approach be implemented to ensure proportionality, efficiency, and data quality?

EFAMA supports ESMA's intention not only to take into account what is necessary from a supervisory perspective, but also the industry reality, which includes data availability, technical feasibility and cost reduction.

More specifically, and as outlined throughout our response, ESMA should follow several principles when determining the data that should be collected under this integrated reporting framework:

(1) The data points should be limited to the information that is necessary for the purposes of effective supervision. This means that out of the data that is currently requested, only that which brings meaningful added value to the supervisory objectives and can be successfully and timely processed by all NCAs should be considered for the integrated template. This exercise should by no means become an opportunity to legitimise within an EU framework all data gathered by different national supervisors, be it under established regulatory reporting or via ad hoc data requests.

Therefore, we cannot agree with the approach where existing fragmented national reporting frameworks could serve as a benchmark for the harmonised UCITS reporting. Rather, it is the already harmonised AIFMD template that could serve as a starting point, with the caveat that the specificity of UCITS funds is significantly different (as we explain in more detail under point 4 below).

Moreover, with regard to the majority of reporting fields suggested by authorities under Annex 10, we would question whether the new regime should cover them. The provision of data such as costs/fees, list of distributors and independent financial advisors is not covered by the objectives of the amended reporting requirements under Art. 24 AIFMD and Art. 20a UCITSD. The new reporting framework should be clearly guided by what is expected from the asset managers under the established EU frameworks.

(2) ESMA should focus on simplifying and reducing the overall burden of reporting. This means that current practices and existing reporting capabilities of the industry should be taken into account, with the aim, however, that the **final outcome of the reform should be far less burdensome than what is experienced today. In particular, any existing reporting duplications and redundant data fields should be removed.** Only in this way could the costs and effort connected with conducting this reform be justified.

(3) NCAs should not be allowed to request additional data points on top of the harmonised template, as this would go against the aim of building EU single market. This rule should apply regardless of whether market conditions are normal or stressed. Otherwise, the benefits of conducting this reform could quickly become obliterated by new reporting requests. The same approach should apply to the frequency of reporting, where the NCAs should not be allowed to request data more often than agreed on an EU level.

(4) Even if the reporting template is aligned, UCITS should not be requested to report all of the data points relevant for AIFs. These fund types are fundamentally different, and only data points relevant for these funds should be included. For example, UCITS funds are prohibited from borrowing for investment purposes. This means that information on borrowing would be unnecessary for these funds. Even in the case of some AIFs, the current content of Annex IV to Regulation 231/2013 is not always relevant. For instance, although the Net Asset Value (NAV) is a widely used data point in the fund sector, certain private equity funds do not calculate it.

Therefore, **we believe that the structure of this template should include a core dataset common to all funds, as well as specific modules that will be tailored to specific fund features** (type of the fund, strategy, etc.). This should be designed bearing in mind that simplicity is key and any too complicated solutions would significantly increase the costs of compliance, reporting and technical tools.

To achieve the best outcome, which takes these principles into account, **we strongly recommend establishing a public-private expert group that includes a significant representation of industry**

experts, as already mentioned in our response to question no. 1. Only in this way can a significant added value of this reform be ensured. We believe that the lack of comprehensive industry consultations has led to the evolution of the current reporting frameworks in a manner that is not always fit for purpose. While inspiration can be taken from similar initiatives already existing in the banking industry, we are against any outcomes of those discussions being transferred to the fund industry. Both business activities have their own specificities that should be fully taken into account in their respective frameworks.

All of the elements outlined above are necessary for the new framework to assist in creating EU Single Market and strengthening EU competitiveness. As already outlined in our response to question no. 3, reporting is a complex exercise that comes with multiple challenges, and as such it is important to avoid putting a higher burden on EU companies than the one faced in other jurisdictions.

Q8 How can semantic data integration best be achieved across reporting frameworks? Please identify areas where alignment would be most beneficial?

Establishing a common data dictionary must be seen as an integral part of this reform, as it would help avoid different interpretations of commonly used terms (e.g. assets under management and leverage measures) by the NCAs. The differences that exist today necessitate not only the analysis of how each NCA interprets a particular term, but also redoing the calculations based on the national approach. The same goes for any more granular fund classification, which should be defined in a common and consistent way.

In both cases, these works should be based on the input from the industry. Only this way it can be ensured that the outcomes are in line with the sector's reality and with practical implications for reporting systems and teams.

As already highlighted in our responses to questions no. 1 and 7, any expert group working on the dictionary would require significant participation of industry experts. Moreover, it should not copy what was already developed by the banking industry, as the specificities differ. We believe that such a dictionary could also help reduce costs, which are now induced by the need to acquire data licences for some classifications.

Q9 Which of the proposed options do you consider most efficient? If possible, please quantify the expected cost and benefits for each option. Would you support an alternative option involving additional actors, such as centralised reporting infrastructures?

EFAMA recommends that ESMA explore the three alternatives outlined in the Discussion Paper in more depth. Greater data sharing is essential to achieve a successful reporting integration. However, the ideal collection and data sharing mechanism will depend on the technical feasibility and efficiency of each option.

While the idea of ESMA operating a data hub to facilitate the exchange of data among NCAs benefits from quite some support from the industry, other alternatives that have not been sufficiently considered may exist. For instance, thanks to progress in technology, it is now possible to build joint data spaces that allow one to maintain control over the data they share. These technological alternatives should be discussed within the expert group we suggested in our response to question no. 1.

Any data-sharing arrangement should ensure that various authorities can access the data necessary under their respective supervisory responsibilities. For instance, NCAs supervising branches or (intra-group) delegates should have access to the data collected by the home NCAs to avoid reporting duplications. Similarly, host NCAs could have access to information on funds distributed in their markets, thereby eliminating the need for these authorities to collect information on cross-border funds.

Despite these advantages, the industry would indeed incur costs. For instance, in member states where asset managers currently report to two different authorities, moving the collection of certain data from one authority to another could have certain operational implications.

Q10 How important is it to retain the supervising NCA as an intermediary between the reporting entity and the centralised system in the reporting process?

NCAAs should probably remain intermediaries in the reporting process. Data collection and validation are core supervisory functions that form the foundation of effective supervision. NCAs have developed deep, specialised knowledge and familiarity over their specific markets through decades of dedicated experience, investment in expertise, and continuous engagement.

This expertise ensures rapid time-to-market for regulatory responses, operational agility in addressing emerging risks, and the adaptability necessary to respond to dynamic market conditions. As supervisory authorities, NCAs are best placed to conduct data quality checks because they can engage directly with supervised entities when errors occur, enabling the immediate clarification of discrepancies, a contextual understanding based on local knowledge of the entity's business model, and an efficient resolution with as little bureaucratic delay as possible.

Moreover, should NCAs receive this data second-hand from ESMA, it would increase the time between when asset managers report this information and when NCAs receive it. This is because ESMA would have to validate it in the meantime. Considering the limited resources currently available, it is questionable whether ESMA could do so within a reasonable timeframe.

That said, to ensure comparability between the data collected by NCAs, it may be necessary for ESMA to develop **robust data validation rules**. Otherwise, different national practices could realistically undermine comparability. In contrast with current practices, these data validation rules should take effect from the next reporting exercise, rather than being applied retroactively, as is currently the case.

Q11 Are there any other data sharing arrangements, either within or beyond asset management, that you believe would be beneficial for burden reduction?

While for the time being the focus should be on integrating fund reporting, EFAMA would support longer-term initiatives that would **create synergies with reporting regimes in other financial sectors** (i.e., banking, insurance, and pensions).

As mentioned in our response to question no. 3, asset managers are often indirectly caught by the reporting regimes in other sectors. For instance, they must submit reports to insurance companies and pension funds that invest with them, so that the latter can, in turn, report to their supervisors under Solvency II and IORP. The data reported to these clients is often similar, but subject to different templates, which are frequently customised for specific clients. Standardisation across sectors could reduce the overall technical and operational costs to the asset management industry.

Moreover, **market supervision requires a holistic approach where authorities can consistently monitor the activities of different market participants**. In line with our response to the recent EC consultation on the adequacy of macroprudential policies for Non-Bank Financial Intermediation, public

authorities must take a holistic approach to understand where systemic risks lie.¹ To do so, **authorities need to have access to sufficient information from various sectors.**

Q12 Would a phased implementation of the potential changes outlined in the sections on “Integrated reporting” and “Reporting flows and data sharing” help ensure proportionality and facilitate smoother transition?

Option IR 2 would probably require a phased implementation to ensure proportionality and allow sufficient time for operational and system adjustments. A gradual approach would (a) give asset managers at least one and a half years to adapt internal systems progressively without disrupting day-to-day operations, (b) provide time to clarify guidance, definitions, and reporting requirements, and (c) enable ESMA and NCAs to test the new framework through pilot phases or parallel runs, ensuring stability and identifying implementation issues early.

That said, as already outlined in our responses to other questions, ESMA should not introduce an interim reporting regime during the time it develops Option IR 2. Changes to reporting regimes are costly and time-consuming for the industry. In addition, **we also strongly oppose a two-speed reporting regime where large asset managers would report to ESMA and small asset managers to NCAs**, as described in par. 162 of the Discussion Paper. Having reporting platforms at both the EU and national levels would inevitably result in additional costs for the industry.

Q13 Do you consider that it would be beneficial to introduce a common standard, such as ISO 20022, across all reporting obligations within the asset management domain? What would be the costs and benefits for reporting entities of transitioning all reported data to a single standard? If ISO 20022 is not the preferred solution, what alternatives could be considered?

Yes, EFAMA supports the adoption of a common reporting standard such as ISO 20022 across fund reporting regimes, provided it is implemented gradually and with appropriate technical support. The benefits would include:

- Harmonisation across AIFMD, UCITS, EMIR, and SFTR would reduce transformation layers and manual mapping.
- Enhances data quality, automation, and validation, supporting end-to-end digital processing.
- Facilitates interoperability across entities, systems, and authorities.
- Encourages alignment with other sectors (e.g. banking, payments) already adopting ISO 20022.
- ISO 20022 is also used by the ECB, supporting consistency across EU-wide financial reporting and infrastructure.

Q14 What would be the main advantages and disadvantages of using respective syntaxes (XML, JSON, XBRL) for reporting frameworks in the asset management sector?

Asset managers should report data in the XML format because the industry has recently completed a resource-intensive migration to XML for most reporting frameworks, although some reporting is still conducted using CSV or Excel. Retaining the XML format, which works well, would ensure that asset managers do not have to make more operational and system investments for the foreseeable future. Avoiding these investments and the additional compliance associated with them would promote efficiency and EU competitiveness.

¹ EFAMA, [Response to the European Commission’s consultation on assessing the adequacy of macroprudential policies for Non-Bank Financial Intermediation \(NBFIs\)](#), 22 November 2024.

That said, please find below our assessment of the different syntaxes used in existing reporting frameworks in different sectors:

	Advantages	Disadvantage
XML	<ul style="list-style-type: none"> • Established infrastructure with widespread industry adoption and vendor support • Robust structure ideal for complex, hierarchical regulatory data requirements • Full compatibility with existing validation tools, systems, and regulatory workflows • Proven reliability in mission-critical financial reporting environments 	<ul style="list-style-type: none"> • Higher bandwidth and storage requirements due to verbose markup structure • Increased processing overhead, particularly for large datasets or frequent submissions • More complex human readability compared to lightweight alternatives
XBRL	<ul style="list-style-type: none"> • Purpose-built for financial reporting with strong semantic standardisation • Enables automated data validation and cross-jurisdictional comparability • Established regulatory precedent (ESEF, ECB reporting frameworks) • Superior handling of financial taxonomies and dimensional data 	<ul style="list-style-type: none"> • Significant implementation complexity requiring specialized expertise • Higher initial setup and ongoing maintenance costs • Less suitable for granular transaction-level or real-time data flows
JSON	<ul style="list-style-type: none"> • Lightweight format optimized for modern web technologies and API integration • Simplified parsing and implementation, reducing technical barriers • Native compatibility with cloud platforms and real-time data processing • Lower resource requirements for high-frequency data exchanges 	<ul style="list-style-type: none"> • Less rigid structure may require additional validation layers to ensure data quality • Limited regulatory precedent in European financial reporting • Potential compatibility challenges with legacy regulatory systems

Q15 Would an increase of data granularity contribute to improved data quality, usability and reduced duplications? To what extent can the greater use of international standards (e.g. CFI codes, LEIs) and master data reduce the compliance costs and improve interoperability in regulatory reporting?

EFAMA believes that increasing data granularity could be considered a way forward, however, only under specific conditions, taking into account also the views that we present on specific elements under our responses to questions no. 16 and 17 below. Otherwise, it will miss the objective of simplification and limiting the burden of the supervisory reporting, negatively impacting also the competitiveness of the EU.

Firstly, it must be accompanied by a significant reduction in the number of other data points that reporting entities are required to additionally calculate, and ensure that any duplications are also removed. This possible benefit does not clearly stem from the Discussion Paper, especially since ESMA notes itself under paragraph 245 that “*aggregated data reporting would remain the baseline for those cases where aggregated data should be still computed to ensure regulatory compliance.*” These elements have to be seen in tandem to consider any advantages of more granular reporting.

Secondly, it will be beneficial only to the extent that it also limits the amount of follow-up queries and ad hoc data requests from NCAs. These already present a significant burden to asset managers’ reporting teams. The access to granular data will allow the supervisors to conduct calculations themselves, which should limit the instances where follow-up questions will be asked to the supervised entities. It is

important that supervisors take ownership of those processes, as it will be much more challenging for entities to explain any issues based on calculations conducted by the authority.

This aspect highlights again the importance of a common dictionary, developed by the expert group with the significant contribution of the industry experts, as we already highlighted in our responses to questions no. 1 and 7 above.

Specifically on the issue of LEI, EFAMA supports its broad use, which will facilitate harmonisation with other frameworks (EMIR, SFTR, etc.). The functionalities of the LEI database allow for greater automation of reporting, which in turn helps increase data quality and security while reducing costs. At the same time, as also pointed out by ESMA, not all entities have an LEI. Therefore, a fallback solution has to be provided that will allow the asset managers to fill in their reporting obligations. The lack of LEI should not lead to a failure in reporting. Therefore, we believe that out of the options proposed to address the issue of LEI coverage, Option 3 could be most justified.

Q16 What are your views on implementing security-by-security as the baseline granularity? What are the main benefits and costs of the presented options? What solutions should be envisaged to ensure a proportionate approach?

The industry is of the opinion that reporting of "raw data" could be considered the right approach for an integrated reporting under Option IR 2, provided that the issues we explain under our response to question no. 15 are resolved, and the data are available and easily accessible. The "raw data" should be understood as the security-by-security data that are provided to the central banks for statistical purposes, under Regulation 2024/1988. This data is largely based on fund inventories and will give national supervisors visibility of the fund's portfolio composition. We would also be against any data granularity that would go beyond the current security-by-security reporting requirements. Such increased data granularity would go against the principles of reducing the reporting burden and creating more efficiency within the reporting framework..

Providing supervisors with security-by-security data should allow for significant limitation of additional data points that would have to be calculated and provided by the asset managers. This would limit the burden on the financial entities' side, as they would not need to run very heavy calculations, which are costly and time-consuming. It will also help avoid the risk of different interpretations, and would be more useful for the supervisors as they will be able to analyse the data in the way that they see as necessary, building data analytics that will allow them to see this granular data in an aggregated way.

As a result, all data points that relate to portfolio holding, primary markets, principal instruments, top counterparts etc. should not be requested anymore. The additional data points could be limited to instances where they refer to elements required under the AIFMD and UCITS frameworks, such as risk metrics, leverage, and the use of liquidity management tools. In line with the principles provided in our response to question no. 7, data should be justified by concrete supervisory needs and reasonably easily available to the asset manager. The list of data points that would need to be additionally provided, should also be developed by the expert group mentioned in our responses to questions no. 1 and 7.

Taking all of these elements into account, the Option SS1 could be a good approach, with the caveat that there should be some flexibility in circumstances where no ISIN code will be available and entities should be allowed to use an internal methodology. It is also important to highlight that current ECB derogations do not always work in practice as some NCAs do not want to grant them.

Q17 With respect to share classes, what data should be considered for reporting at the share class level? What operational challenges do you face when reporting at the share class level?

EFAMA is strongly against the proposed introduction of additional granularity by requesting detailed data to be reported per share class. Both options, full share class-level reporting and most representative share class-level reporting, will significantly increase the amount of information provided by reporting entities. At the same time, no fundamental analysis has been put forward to determine whether this level of granularity is necessary and whether there is a clear supervisory intent behind it. It is currently not required under EU standards, and the fact that some NCAs collect more detailed data in itself does not constitute a sufficient reason for this additional burden. Regarding Option SC2, the question also arises as to how the most representative share class would be defined.

As such, the proposed approach is already going against the principles that should guide this reform, as explained in our responses to questions no. 1 and 7, and current agenda of simplification and burden reduction. Despite what is mentioned in the Discussion Paper, share class level reporting would not limit the aggregation of data. In fact, it would require new processes to calculate data per share class, which would increase efforts and costs instead of reducing them. Safekeeping systems that are today organised for management at a fund level would require changes, as well as any existing setups with entities to which reporting has been delegated. The unclear added value of reporting per share class does not justify such operational and economic expenses.

As the management is done at the fund level, the question arises as to what the rationale would be for reporting per share class. From a supervisory/macprudential perspective, the relevant view is that of an entire fund (entire portfolio level). This is when an overview of key risk metrics can be observed, and therefore, providing performance metrics at the level of a share class is not justified. It should also be noted that a similar issue already exists under the current reporting for AIFs with master-feeder structures and parallel funds. In each case, reporting is conducted on an individual fund basis, despite most of the pertinent economic and risk-related information being duplicated as a result.

Moreover, some funds (e.g. private equity) do not maintain traditional share classes, but instead use capital account structures based on individual investor commitments and capital call timing. The concept of "expense ratio per share class" is fundamentally inapplicable when investors have individual capital accounts with varying contribution timing, side letter arrangements, and customised fee structures.

Therefore, if any data were to be provided at the share class level, it should be limited to information such as ISIN, name or currency. Similarly, data provided in the case of master-feeder and similar structures should be rationalised to reduce the current duplications, operational complexities and reporting costs.

Q18 In your opinion, is it feasible to substitute aggregated reporting data with more granular data within supervisory and statistical reporting frameworks? If yes, what kind of data?

Please see our response to questions from 15 to 17 above.

Q19 What additional areas should be investigated under the integrated reporting initiative in terms of data granularity and standardisation?

We do not believe other areas should be investigated under the initiative to create an integrated reporting at this point.

Q20 Do you consider that frequency should be aligned across reporting regimes and jurisdictions? If yes, what frequency (monthly or another) would provide the best balance of costs and benefits? What kind of challenges would you expect in implementing it?

We believe that, as with the data points requested from reporting entities, the frequency should also be based on the principles that we outlined in our responses to questions no. 1 and 7. Therefore, it should correspond to what is truly necessary for supervisory purposes, which depends on the type of the fund (AIF, UCITS or MMF), the frequency of its valuations, and the extent to which the reporting data change over the established timeframe. The complexity of the reported information should also be taken into account, and any more complex calculations should justify less frequent reporting.

Therefore, we believe that the reporting frequency should not be aligned across regimes. We are of the opinion that the current quarterly reporting frequency for AIFs is well-tailored to the specificities of these funds. It has already been harmonised at EU level, and this standard should be upheld for the future framework, with the caveat that there can be circumstances where less frequent reporting would be justified, such as less frequent valuation. What also needs to be harmonised at EU level is the reporting frequency for UCITS funds, where different national approaches can be observed. It is important that this decision is not left to the national supervisors, as the fragmentation across the EU will continue to exist.

It is essential to note that even the choice between quarterly and monthly frequency should not be treated lightly. Monthly reporting would already triple the number of tasks conducted by the reporting teams, and has to be duly considered in view of the sought burden reduction. Moreover, some data, such as the risk metrics, would not be easily provided on a monthly basis. The burden will increase even more significantly if higher frequencies were considered. For our views on daily reporting, please see our response to question no. 22.

The final approach will depend on the solution chosen for the new reporting framework, and like other elements, should be discussed with industry experts. However, we believe that even under the Option IR2, the reporting frequency should depend on the elements that we mentioned above. In particular, alignment is not seen as necessary between the data reported under the current statistical reporting and for additional data points related to the fund reporting.

Q21 What solutions and criteria should be envisaged to ensure a proportionate approach with respect to the reporting frequency?

Please see our response to question no. 20 and the criteria mentioned thereof.

EFAMA is of the opinion that the current approach towards frequency under Art. 110(3) of Regulation 231/2013 provides a proportionate approach that takes into account challenges with more frequent reporting for smaller managers.

Q22 Given that daily reporting requirements are already implemented in certain Member States, how such a frequency could be set up to ensure an integrated approach while avoiding a disproportionate burden for reporting entities?

EFAMA is of the opinion that an approach that would include daily reporting (or any frequency higher than monthly) should be strictly avoided and not implemented within the EU harmonised reporting framework. The fact that such a frequency has been introduced in some Member States does not serve as an argument to implement such an approach across the entire EU. Similarly, as in the case of data points that should be selected, it is important to take into account what's necessary from the supervisory perspective, without creating an unjustified additional burden for the reporting entities. As mentioned already in our response to question no. 21, an increase from quarterly to monthly reporting would triple the amount of work. A change to a higher reporting frequency will significantly increase the burden on reporting entities and would go against the objective of increased efficiency and limiting unnecessary costs.

This should also be analysed from a competitiveness perspective, and EU entities should not be put under stricter rules than their peers in other jurisdictions. As explained in paragraph 31 of the Discussion Paper, the EDGAR system operated by the Securities and Exchange Commission in the U.S. requires monthly reporting. Moreover, maintaining a unified frequency across the EU will enhance the integration of the EU single market.

Q23 How the reporting template for use in exceptional circumstances be designed to minimise the complexity for reporting entities, while ensuring sufficient flexibility to adapt to the specific nature of a crisis situation?

EFAMA is not supportive of an additional template being designed for ad hoc reporting in exceptional circumstances. Given the different nature of stressed conditions, we are skeptical that it will be feasible to determine upfront which data points will be necessary for all stressed scenarios. It is also very probable that despite such a template being developed, supervisors will still request additional reporting tailored to their actual needs.

The development of an additional template would require its incorporation into the reporting systems, with all stages of such a development to be carried out. At the same time, its use would remain highly uncertain for the reasons outlined above. As such, and from a cost/benefit analysis, it will create an unnecessary burden.

If, however, a decision was made to create such a template, it is crucial that it remains as streamlined as possible. This additional ad hoc reporting should not put further strain on the entity's resources, which should concentrate on managing crisis circumstances.

Q24 Are there any other dimensions not considered in this discussion paper that are relevant for the establishment of a more integrated reporting system? If yes, please provide specific examples and your views on potential improvements that can be made and their priority.

In line with the EC reporting reduction package², ESMA should take the opportunity of the AIFMD/UCITS review to investigate how it could grant access to aggregated supervisory data to entities with legitimate interest (refer to Art. 4(7) of the said proposal). Such entities should include trade associations, such as EFAMA, which could utilise this data to participate constructively in the policy-making process.

² European Commission, [Proposal for a regulation as regards certain reporting requirements in the fields of financial services and investment support](#), COM(2023) 593 final, 17 October 2023.

ABOUT EFAMA

EFAMA is the voice of the European investment management industry, which manages about 34 trillion of assets on behalf of its clients in Europe and around the world. Its membership consists of 29 national associations, 52 global asset managers, and 24 associate members. We advocate for a regulatory environment that supports our industry's crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors.

Besides fostering a Savings & Investments Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities. EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book.

More information is available at www.efama.org

Contacts:

ZUZANNA BOGUSZ

Senior Regulatory Policy Advisor - Management
Companies

Mobile +32 456 16 58 67 | zuzanna.bogusz@efama.org

MARIN CAPELLE

Regulatory Policy Advisor - Supervision

TMobile +32 476 26 03 08 | marin.capelle@efama.org