



Navigating the Future of Regulatory Reporting for Investment Firms

Oktober 2023

Let's change the way we see risk

New requirements for investment firms announced by the Deutsche Bundesbank

The landscape of regulatory reporting is always evolving, and staying ahead of these changes is crucial for banks and investment firms. Recently, the Deutsche Bundesbank has announced upcoming changes to report submission requirements for investment firms covered by the Investment Firms Regulation [Regulation (EU) 2019/2033] and its implementing regulation (EU) 2021/2284. For a comprehensive overview of these regulations, see our [blog post](#).

With our innovative Automated Reporting Tool (ART), PwC has helped numerous investment firms in preparing and submitting their IFR reports, including all relevant ESG disclosures. We are happy to help your firm navigate the upcoming changes to the reporting environment.

Bundesbank's Project PRISMA



The upcoming changes to reporting are part of [PRISMA](#), the Bundesbank's new supervisory reporting solution. PRISMA is aimed at improving the digitalization of the reporting process. It implements a number of changes to the reporting process, including a new customer test environment and the requirement to submit exclusively in XBRL format. With our extensive experience in preparing IFR reports, we are well equipped to help your firm to prepare for the new XBRL reporting requirements and integrate any Bundesbank feedback to ensure that your reporting submissions are compliant with the latest requirements.

The current supervisory application landscape has grown over the years, leading to challenges such as the impending end of support for some components, complex maintenance, and a lack of compatibility with modern technology. PRISMA aims to modernize and streamline this landscape by focusing on key goals:

PRISMA incorporates modern technologies and development standards commonly used in the market.

PRISMA offers an integrated overall solution to reduce complexity and costs

PRISMA communicates report statuses more frequently, enhancing transparency in the reporting process

PRISMA enables institutions to react promptly to new supervisory developments.



PRISMA promotes uniform processing of supervisory reports.

Source: Deutsche Bundesbank

What challenges does PRISMA present for investment firms?

PRISMA introduces significant changes in submission requirements that institutions need to be aware of:

- Submission in XBRL format becomes mandatory
- Legal Entity Identifier (LEI) is the identifier of choice
- EBA taxonomy is to be followed for reporting
- New file naming conventions are introduced
- A separate customer test environment is established

Previously, investment firms had the flexibility to submit their regulatory reports using Excel documents. However, a critical transition is on the horizon. According to the [Bundesbank](#), regulatory reporting **submissions will only be accepted in the XBRL format** exclusively starting from **January 1, 2024** for reports with the reporting reference date of December 31, 2023.

[XBRL](#) is a uniform electronic reporting format designed to enhance the accuracy and transparency of financial and regulatory reporting. Creating XBRL reports can be technically demanding, and it often requires specialized software or the assistance of a corresponding service.

While the shift to XBRL can be daunting, PwC has the tools and experience required to support your institution in making a smooth transition to XBRL reporting.

PwC Solution: The Automated Reporting Tool (ART)

To ease the upcoming transition to XBRL, we can leverage our Automated Reporting Tool. ART is a comprehensive solution designed to support your regulatory reporting process. It's more than just a tool; it's an invaluable asset for your institution's compliance efforts.

ART offers XBRL reporting, validation, and analysis capabilities through a user-friendly web-based tool. The tool can validate regulatory reports with validation rules from the supervisory authorities, local regulators or your own custom validation rules. This ensures accuracy and compliance before the submission to the relevant authorities.

Key advantages

Upload in multiple formats

ART allows users to upload files in multiple formats including XML, XLSX and XBRL

XBRL output

Input files can be converted to XBRL output files for supervisory reporting and XBRL back to Excel EBA format reporting templates

Flexible

ART has been implemented in banks of all sizes and complexity (including G-SIBs) and is easily expandable in scope

Large files at high speed

ART runs on a dedicated server and is capable of processing large data sets at a high speed

Insight

ART provides quick and clear insight into any possible reporting errors and period-on-period analysis of risk indicators

Expert knowledge

ART is developed and supported by a team of regulatory reporting, accounting and XBRL specialists

Dedicated and encrypted client databases

Client's data is not stored and only temporarily processed in separate, encrypted client databases

Cloud solution

All updates are processed by PwC remotely, giving clients an up-to-date plug-and-play solution

Implementation support

PwC helps clients with the implementation of ART as a service and provides client-tailored features and support

ART is widely used by many institutions within Europe and has a proven track-record of success and reputation.



ART | Automated Reporting Tool

This tool creates insights in the quality and consistency of your COREP, FINREP, Resolution and SE reports by being able to validate against the most recent EBA, DNB and SRB validations and by performing period on period analysis by using the dashboard. Once validated, you can easily generate an XBRL that can be delivered directly to the regulator.

1. Import

Import your COREP, FINREP and SE reports.

Organise the imported files.

2. Validate

Select check library.
Select reporting period.

3. View

Review the results of the validations.
Report findings.

4. Export

Export your reports in XBRL format, which can be submitted directly to the regulator.

5. Dashboard

Period-over-period analysis using the EBA Risk Indicators.

The 5 Steps of ART

ART is a web application, where the user can seamlessly and remotely navigate through five steps:

1. Importing a report
2. Running validation rules and analyses
3. Viewing the results
4. Exporting the report in the desired format
5. Generating a dashboard for analysis

PwC offers everything you need to successfully complete your IFR reporting, from advisory services to reporting as a fully managed service. From creation to validation to submission, we provide you with a headache-free experience.

In order to comply with the new disclosure requirements under supervisory law, such as ESG reporting and PRISMA requirements, it is essential to adapt the processes in your company at an early stage. This ensures that the information and data to be disclosed are accessible to you at all times and can be automatically included in your disclosure report within an acceptable period of time.

These changes can pose challenges for many companies, and we will be happy to support you as a competent partner. At your side, we will implement the new processes, adapt existing processes or take care of the data preparation and processing with our technical know-how so that your future disclosure reports fully comply with the new regulatory requirements. There are both challenges and opportunities on the horizon. With our Automated Reporting Tool and expert guidance, your firm can navigate these changes successfully.

About PwC

Our clients are faced with a variety of tasks every day, want to implement new ideas and are looking for advice. They expect us to provide them with holistic support and to develop practical solutions with the greatest possible benefit. That is why we use our entire potential for each client, whether a global player, family-owned company or municipal body: experience, industry knowledge, expertise, quality standards, innovative strength and the resources of our network of experts in 158 countries. Trusting cooperation with our clients is particularly important to us, because the better we know and understand them, the better we can support them.

Contact us!

Stefan Röth
Director

FS Governance, Risk & Compliance
+49 151 1462 3842

roeth.stefan@pwc.com

Hana Musai
Senior Manager

FS Governance, Risk & Compliance
+49 160 151 9593

hana.musai@pwc.com

Lukas Krzikalla
Manager

FS Governance, Risk & Compliance
+49 151 6233 2623

lukas.krzikalla@pwc.com



Find us online:

pwc.com/baseliv
blogs.pwc.de/regulatory/
youtube.com/PwCBaselIVChannel

