Regulatory Blog

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ECB clarifies the first application date for the implementation of the IReF: What Banks Need to Know

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Content

In a significant move towards harmonizing statistical reporting across euro area banks, the European Central Bank (ECB) has announced in their press release and their overview of IReF an updated timeline for the implementation of the Integrated Reporting Framework (IReF). This framework aims to reduce the reporting burden on banks and enhance the quality of data available to policymakers and analysts. Here are three key insights into the updated timeline and the implementation of the IReF.

1. Updated Timeline for Implementation

The ECB has set a new timeline for the start of reporting under the IReF which is now planned for the **fourth quarter of 2029**. Previously, the IReF was expected to start already in 2027. This extended timeline reflects the feedback received from the banking industry, emphasizing the need for a smooth and well-prepared implementation process.

2. Detailed Implementation Plan

Since mid-2023, the Eurosystem has been conducting a comprehensive investigation phase to define the business and IT aspects of the IReF implementation. A key outcome of this phase will be a detailed implementation plan which is expected to be released in **late 2025**. This plan will provide a necessary guidance and lead time to prepare for the new reporting requirements.

3. Pilot Reporting Phase

To ensure a smooth transition and efficient technical preparations, the ECB has planned a **one-year pilot reporting phase** before the actual reporting begins. This pilot phase will allow banks and authorities to test and refine the reporting processes, making the transition to the IReF easier and more efficient. It is a crucial step to address any potential challenges and ensure readiness for the full implementation.

Conclusion

In conclusion, the updated timeline for the IReF implementation reflects the ECB's commitment to ensuring a smooth and well-prepared transition for banks. With the detailed implementation plan set to be released in late 2025 and a pilot reporting phase planned before the full implementation, banks have now a clear roadmap to prepare for the new reporting framework. The IReF promises to harmonize and streamline reporting requirements, thereby reducing the reporting complexity for banks and improving data quality for supervision authorities and analysts. As the ECB moves forward with this initiative, banks can look forward to a more integrated and efficient reporting framework that supports their operations and growth.

Impact and how we can support you

The IReF framework presents both opportunities and challenges for banks. While the postponement of IReF to 2029 may seem to provide some breathing space, it conceals critical challenges that banks must address proactively. The one-year pilot reporting phase, planned just before full implementation, will already require technical and operational readiness. Far from being a safety net, this phase is likely to reveal operational and strategic gaps.

Despite these challenges, the pilot phase offers an invaluable opportunity to test systems, processes, and data quality under IReF requirements. Aligning the granular data requirements with existing reporting and IT systems is a complex, resource-intensive endeavor that will take time to implement effectively. Addressing these complexities proactively will enable banks to mitigate operational risks and ensure a smoother transition. The pilot phase represents a critical milestone where readiness will be tested.

In addition, panel discussions at our recent Regulatory Reporting of the Future Conference on 2 December 2024 highlighted the need for banks to think beyond IT infrastructure while tackling the initiatives such as IReF and BIRD. Key insights included that banks must invest in educating and empowering their employees to navigate future reporting requirements. This can be done by setting up governance structures that resonate with the evolving requirements of regulatory reporting while ensuring alignment across functions and systems. In addition, a strong C-Level support can drive the transformation toward integrated reporting systems to break down organizational silos, foster collaboration across departments, and enable the change to strategically restructure the IT infrastructure, particularly as granular and integrated reporting will become the norm.

At PwC we have an extensive experience in guiding banks through regulatory transformations, including

- **Readiness Assessment**: Identifying gaps in reporting infrastructure and preparing for the pilot phase.
- **Strategic Alignment**: Developing a roadmap that integrates IReF requirements with broader initiatives such as BCBS 239.
- **End-to-End Support**: From incorporating the granular reporting requirements into the business model, to process redesign and testing, we provide tailored solutions that prepare for the future of reporting.

The postponement of IReF to 2029 should not delay action but instead encourage banks to seize the opportunity to prepare strategically for the challenges and benefits ahead. Early preparation will not only help address potential pitfalls but also position banks to unlock the benefits of a harmonized, streamlined reporting framework that reduces long-term burdens and enhances data quality. Please do not hesitate to contact us and visit our Future of Regulatory Reporting website for more information.

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Get ongoing updates on the topic via regulatory horizon scanning in our research application, PwC Plus. Read more about the opportunities and offerings here.

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Bankenaufsicht (Europäische und Internationale Organisationen), Integrated Reporting, Meldewesen - Banken, Meldewesen - FDI, Regulatory Reporting

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