Consultation Response

EBA Reporting Simplification: Operational Risk

July 2026

Summary

We support EBA's initiative to review the supervisory reporting framework and its objective of reducing unnecessary reporting burden along with the overall objective of simplification. However, in the draft proposed as it is, there is no simplification nor improvement in efficiency of the reporting framework." Objectives might not be achieved because of an increase on reporting burden (through greater granularity, complexity, expanded historical reporting requirements and scope) and lack of an exhaustive view of the institutions risk profiles.

We would support a timeline in relation to a transition to a new reporting framework, taking our observations below into account, with December 2027 as the first reference date. Until then, we understand that reporting will continue through the existing COREP templates C 17.01 and C 17.02 under the proposed transitional approach.

The requirement creates significant operational complexity, including classifying events using 26 Level 2 categories and possibly 15 mandatory attributes, particularly where this granularity is being introduced primarily for EBA reporting rather than for existing other regulatory reporting purposes. Firms will need to enhance current data models, taxonomy mapping, controls, and existing governance to capture these fields consistently across entities, and this may be especially difficult where current event capture do not align naturally to the proposed taxonomy. While we support the template simplification, the associated uplift will require considerable effort for what may ultimately affect only a subset of the overall loss data population and does not appear to be a simplification.

We would continue to note that in terms of reporting at an individual loss event, the threshold is too low for individual reporting but too high to have an exhaustive risk profile as, for example, most of Retail banking external frauds would be excluded (like credit card frauds and consumer loan frauds) or data leakage, ICT incident with no financial impact. We consider it a regression with actual Corep requirements where internal thresholds are used (and these ones have been defined internally to give an exhaustive view of the risk profile and allow the best possible risk management).

Supervisory reporting should primarily rely on appropriately aggregated indicators, including loss trends and risk concentrations. The split between updates and corrections will drive complexity and recurring interrogations in the way they should be reported. A possible way forward could be to use the EBA Matrix published in the New Taxonomy RTS, with EBA level 2 categories in line and attributes in columns, with thresholds adapted to size of institutions and

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typology of risks (details on top incidents could complement but these are already communicated via other channels).

Consequently, in the draft proposed as it is, there is no simplification and nor improvement in efficiency of the reporting framework. It is not a simple open table but still consolidated data at event level with a consolidation key merging "Basel Business Line attribute + Legal entity" with some objects related to audit trail (like record type). This reporting would trigger a lot of efforts on non-significant events and corrections at the expense of the global risk profile.

Separately, we also request that the EBA provide further information on several key reporting fields before the framework is finalized. Additional guidance would be helpful on cases where there are several updates and corrections targeting the same event, on the same or on different data (the more granular the reporting is the more specific and complex cases there will be to handle),on the treatment of the following attributes:

• "Record type" – Where a single previously reported event undergoes both a factual change in amount (which would individually qualify as an "Update") and a rectification of an erroneously reported data field such as Event Type (which would individually qualify as a "Correction") in the same reporting period, which Record Type should prevail? Should the EBA establish a defined hierarchy (e.g., Correction takes precedence over Update)? When several updates are done on the amount, which accounting date should prevail?

• "Pending loss" – Article 318(2)(d) of Regulation (EU) No 575/2013 defines pending losses as losses stemming from operational risk events with a definitive financial impact which are temporarily booked in transitory or suspense accounts and are not yet reflected in the profit and loss accounts. Such pending losses are to be included in the loss data set within a period proportionate to the size and age of the suspense item. Based on our reading of the instructions for Column 0060, which define Pending Losses as a binary Y/N flag linked to this Article, our current interpretation is that reserves held against operational risk events — where the final loss amount has not yet been determined or fully realised — should be classified as Pending Losses (Y). This interpretation is consistent with the constraint in the instructions that if Pending Loss = Y, then Event Status must be Open (OP), reflecting that the event remains unresolved.

O Given the above interpretation, should an event where a legal settlement has been partially paid, with the remaining amount still held as a provision or reserve awaiting final resolution, be flagged as a Pending Loss (Y) or the scope is broader?

• "Event status" – our current interpretation is that events for which provisions remain fully open — i.e., where the entire loss amount is held as a provision and no portion has been settled or realised — should be classified as Open (OP), while all other cases (including events where provisions have been fully settled, released, or where no further financial impact is expected) should be treated as Closed (CL).

O Given the above interpretation, how should Event Status interact with the Pending Loss flag for partially resolved events? For events with partially settled provisions — where a portion of the loss has been realised and paid but a residual provision remains — should the event be classified as Open (OP) or Closed (CL)?
O Should an event that has been substantively resolved but continues to incur ongoing legal fees be classified as Open (OP) or Closed (CL)?
O How should an event previously reported as Closed (CL) be treated if additional loss impacts are subsequently identified and added to it?

O From a wider perspective, the reporting of status will bring complexity with very limited added value. It does not align with simplification objective. It will multiply the number of lines reported and could trigger reporting of events where no other data has been amended

• "Primary Event" - The instructions for Primary Event state that the Primary Event field identifies, for operational risk events affecting more than one legal entity and/or more than one business area within the same entity, the record that shall guide the determination of the Event Type (ET) at consolidated group level or at entity level in case of multiple business areas within the same entity. The instructions further specify that "for each operational risk event affecting multiple entities or multiple business areas within the same entity exactly one record shall be reported with value Y" and that "the designation of the Primary Event shall be consistent over time and across reporting periods." This notion should be linked to the "grouped losses" from the CRR ("grouped losses" means all operational losses caused by a common underlying trigger or root cause that could be grouped into one operational risk event.) The aspect of common cause is a more consistent trigger than the notion of multi business affected (like the pandemic which was the trigger of many events worldwide which can be grouped into one global cost for risk analysis purpose. These exceptional events are very insightful in terms of prospective analysis, but they are also atypical – war, major IT crash, major cyber event, major weather or environmental event). Why not simplify the rule as "when a common cause triggers several events IDs, then, one unique event ID should be reported and one line flagged as primary". More flexibility could be also given, allowing institutions to report several lines with the same ID with no primary event when the institutions do not find relevant to have a primary event.

In the meantime, the instructions should prescribe the criteria by which the Primary Event designation should be assigned.

Given the above, can the Primary Event (Y) designation be assigned to the record with the maximum gross loss amount, grouped by legal entity and business area?

- "Level 1 event type and Level 2 category"-
    - Should the Event Type (Level 1 and Level 2) be the same for all records of an event sharing the same Event ID (whether the Primary Event flag is Y or N)? Specifically, is the Event Type for all records of the same Event ID determined by the record designated as the Primary Event (Y)?
    - Where a single operational risk event within the same legal entity and business area involves multiple Event Types, what should be the granularity of reporting? Should the institution report a single record for that Event ID / legal entity / business area combination, classifying the event type under the event type with max gross loss amount? Or should the institution report multiple records for the same Event ID, legal entity, and business area, each with a different Event Type?

Additional clarification would also be helpful on the scope, population rules, and treatment of these fields over the lifecycle of a loss event. More operationally specific reporting instructions and worked examples would help reduce the risk of inconsistent interpretation across institutions. At this stage, however, we do not foresee concerns with the one-off reporting of 10 years of historical losses, as this template does not require Level 2 categories or mandatory attributes and therefore should not require retrospective mapping of those fields to historical events. However, it is relevant to note that other regulatory reporting on 10 years already exist, for example the EU OR1 which is very recent, and the QIS which exists for a long time, consequently there is some kind of multiplication of reports. In addition, this report makes the transition more challenging.

Consultation Questions

Question 1. Do the respondents agree with the proposed switch to granular operational loss reporting considering the granularity of the new operational risk taxonomy?

The approach introduced through the new template C 17.01, together with the significantly lower materiality threshold of €20,000, compared with the current €100,000 threshold, introduces several technical and methodological complexities. While we understand that the implementation of the new operational risk taxonomy requires a revision of the regulatory reporting framework, it cannot be considered as a constraint to report at loss event level. We consider that the proposed shift to granular reporting adds significant complexity both for institutions and supervisors. Although the proposed template may appear technically simpler, it is not merely an extraction of information from internal operational risk databases. Instead, it requires the implementation of new calculation methodologies, classification rules and reporting controls. One example as mentrioned is the application of the EUR 20,000 reporting threshold, for which additional clarification is required. Furthermore, the output of the new regulatory reporting template may be difficult to reconcile with internal management reporting, as institutions often apply different thresholds and reporting criteria for internal purposes (the current corep, being a matrix, allows the use of internal thresholds which are defined using risk criteria to allow the best possible risk management, so the standardisation of the €20k threshold which is low for individual reporting can be considered as a regression and not fully linked to a risk based approach). The thresholds seems too low for individual reporting and too high to give an exhaustive risk profile. We consider this as an argument to keep a matrix based approach. The high level of granularity, combined with the requirement to track and report any change to the reported attributes over time, entails substantial technical developments and the need for significant data storage capacity. The granular reporting framework entails a very high data volume for large banks and international banking groups, creating significant challenges in data preparation, validation and submission processes. It will drive efforts on small events and non significant changes at the expense of major events and global risk profile. While the consultation paper refers to a reduction in the number of data points, the reporting burden may in practice increase substantially, as the volume of reported data could rise from several hundred data points under the current framework to thousands of individual records, depending on the number of operational risk events. This may also require changes to reporting systems and submission infrastructures in order to process, validate and transmit large datasets. Furthermore, as new events continue to be reported over time, without a mechanism for removing events that are no longer relevant, the number of records in the template will steadily increase, making the dataset progressively more challenging to manage, process and store. Consideration should therefore be given to measures that prevent the report from growing indefinitely in size.

Moreover, the objective of the current C 17.01 template is to provide an annual overview of operational risk losses. Under the proposed framework, the reporting moves beyond annual loss reporting and effectively becomes a recurring submission of a significant portion of the institution's operational risk loss database. An aggregated reporting approach would provide a clearer and more efficient view of key loss metrics and their evolution over time, while reducing the operational burden associated with handling increasingly large datasets.

In addition, certain aspects of the proposed approach are not entirely clear, particularly regarding the modalities provided for the first reporting submission, including the definition of the starting point to be used for identifying loss adjustments compared with previous reporting submissions, to be reported under template C 17.01. The new template also requires reporting updates relating to events that originated in previous years, even where the new operational risk taxonomy was not in place when those events were first recognized. This effectively results in a retrospective application of the new taxonomy. Therefore, even if event-by-event reporting is ultimately required, we propose that the population of reportable events be simplified, either by increasing the reporting threshold or by limiting reporting to events that have had a financial impact during the reporting period. Corrections could also become eligible to reporting only for events already reported in the new format (meaning, one can not consider a change on a data never reported before as a correction). This would simplify considerably the process and the transition. Furthermore, the new EBA taxonomy represents a substantial change in data classification. Requiring event-by-event granular reporting from the first year of implementation would impose significant efforts on institutions, particularly regarding data review, mapping and quality assurance activities.

With regard to the scope of institutions subject to the reporting requirement, we would welcome confirmation that the granular reporting and the related one-off reporting are expected to apply both at consolidated and individual level (Parent Company and all subsidiaries for which the Business Indicator is equal to or exceeds EUR 750 million, as set out in Article 316 of the CRR). From a supervisory perspective, granular operational loss reporting will require new tools and processes to receive, consolidate and analyse data from all reporting institutions. It may also introduce additional complexity in the calculation and interpretation of annual operational risk loss figures, as the aggregate figures would no longer be reported directly by institutions but derived from granular submissions. This could lead to discrepancies between annual losses and risk profiles calculated by institutions and the ones calculated by the supervisor. Then a reconciliation step, if needed, would make the process very heavy.

Question 2. Do the respondents agree that the move to the granular reporting of operational risk losses will help reducing reporting costs and increase efficiency of the reporting framework?

The approach proposed through the introduction of the new template does not appear to simplify the reporting process, as it would require institutions both to manage a higher number of records (due to the reduction of the reporting threshold) and to monitor any update affecting each of the 25 fields included in the template, rather than only changes in the amount, thereby significantly increasing the overall operational complexity. We do not consider that the proposed approach will reduce reporting costs. It requires the development of a new reporting solution rather than leveraging existing reporting infrastructures. Consequently, implementation and operational costs are expected to increase, particularly in the short term.

This leads to relevant technical developments, as well as costs in terms of dedicated resources and storage capacity to manage the historical data and all updates related to previously reported events. In the longer term, the management of large reporting volumes may also require additional investments in data processing, file generation and submission capabilities. The proposal also entails the need to implement new consistency checks, reconciliation controls and data quality validation processes. In addition, as this reporting requirement is not integrated with other reporting requirements within the broader reporting framework, it does not appear to generate efficiencies or synergies across the framework.

In this regard, we would welcome confirmation that the one-off template is required to be submitted only at the first reporting date. Such clarification is necessary to assess whether specific technical developments should also be planned to implement a periodic submission of template C 17.02; otherwise, if the preparation of this latter is effectively required on a one-off basis only, it could be managed in a tactical way, thereby avoiding additional implementation costs. We would request also that events originated before the entry into force of the RTS will in no case be required to be classified according to the new taxonomy

In addition, we propose a re-evaluation of the mandatory status of the following columns due to potential practical limitations and reporting inefficiencies:

- 0030 – Event Status (Open, Closed) – as the evolving status of events might make a fixed 'Open' or 'Closed' classification impractical for real-time reporting; and this data has low value added and little use for risk profile analysis and monitoring (an event can be re-opened internally for an update not eligible to Corep);

- 0040 – Primary Event (Yes, No) – as this might not be informative (e.g. if majority of events are borne by one legal entity) or require manual intervention (e.g. to check if the same event is also borne by other legal entities which are out of scope of this report). Total flexibility would be welcomed: report several lines with the same Id with no primary event and use the primary event when institutions find it relevant. This would be a way to preserve benefit of the information without the side effects and would allow to focus only on the limited relevant cases (pandemic, war, major IT crash, black-out, major weather or environmental events, major cyber-attack) as in a risk-based approach. In any case, the link with grouped losses from CRR should be more straightforward;

- 0060 – Pending Losses (Yes, No) – the utility of this field might be limited, especially in scenarios where the loss capture system is based on Profit & Loss metrics, potentially leading to uninformative entries (e.g., 'No'); The exercise on pending losses is mostly theorical as this notion has no counterpart in accounting data. Financial institutions have processes and rules dedicated to suspense account provisioning depending on the materiality and age of the suspense and these processes and rules are the ones which take precedence

Question 3. Do the respondents agree that the proposed granular reporting template is clear and fit for purpose of the underlying regulation?

The template is generally clear; however, to ensure a correct interpretation of the instructions for filling out the reporting templates, it would have been helpful to incorporate illustrative examples within the instructions and to clarify feeding rules for certain fields, as outlined in Question 4.

In particular, the Boundary attribute does not appear to be fully aligned with the operational risk taxonomy established in the RTS. Under the RTS, the relevant attribute is referred to as “Credit Risk where not included in RWA for Credit Risk” and captures situations where an event originates within a credit-related process but is fully allocated to Operational Risk rather than Credit Risk. However, the template appears to request information on boundary events involving either Credit Risk or Market Risk. This may create uncertainty regarding the scope and interpretation of the attribute and could lead to inconsistent reporting across institutions. To avoid ambiguity and potential misreporting, the definition and scope of the Boundary attribute should be aligned more closely with the terminology and concepts established in the RTS taxonomy.

Regarding increase or decrease in losses it is not fully clear whether the amount reported should be the variation amount or the new total amount. We understand it is the total new amount, and, in this case, the reporting will not give directly the losses accounted for the year and it would create an inconsistency with accounting dates which should be attributed only to variation amounts. In this aspect, there is a question mark on methodology: is the report’s main axis based on a stock view giving every year a global up to date view of events or based on flow/variation view giving a view on what happened during the year.

More generally, the inclusion of practical examples and additional guidance on the completion of specific fields would help ensure a consistent interpretation and application of the reporting requirements across institutions.

In addition, our reading of the RTS Report EBA/RTS/2025/03 is that operational losses should be reported against 15 attributes. However in EBA/CP/2026/07 Module 3, the associated template only has 10 attributes, there is inconsistency and therefore it would be good for clarification if the other attributes not included in the template will need to be reported.

Question 4. Do the respondents agree that the instructions for the regular reporting template C 17.01 are clear and fit for purpose?

In the actual state of the instructions, the feasibility of the report can be questioned. It requires the opening of a Q&A and close support from EBA before institutions start programing reporting codes and rules. Above all, it is not explained how handle cases with multiple corrections and updates targeting the same of different data. The definition of the feeding rules for certain fields could be further refined. In particular: RECORD TYPE - It is not clear which Record Type should be applied in cases where multiple changes affecting the same previously reported record are to be submitted in the same reporting period, that would individually require different Record Types. For example, a change in the amount (that, individually taken, would require the use of the "Update" Record Type) and a change in the Event Type (that, individually taken, would require the use of the "Correction" Record Type). Clarification is therefore needed as to which Record Type should prevail in such cases. It may be helpful for the EBA to establish a hierarchy for the use of this field.

Furthermore, the instructions appear to suggest that, in case of dates modification, either the "Update" or the "Correction" Record Type may be used. However, this type of changes is more likely linked to errors, so only the use of a Record Type "Correction" seems to be applicable. In this regard, further clarification is requested for the purpose of identifying the correct Record Type to be used.

It is not clear whether events previously recorded in old C17 template need to be reported in the updated template with a status of 'Insertion' or 'update'.

Moreover, clarification is required regarding the treatment of specific types of updates affecting previously reported records:

1. Aggregation of previously reported single events under a Group-level Event ID Previously reported single events may subsequently require aggregation under the same root event, resulting in the need to associate them with a Group-level Event ID, whether newly created or already existing.

To manage such cases, it is proposed to allow the use of the "Deletion" Record Type not only for events previously reported in error, but also where an existing Event ID needs to be removed due to its aggregation in a root-event, despite the absence of any reporting error.

For example, where previously reported individual events are subsequently aggregated under a newly created Group-level Event ID, the original records would be reported using the "Deletion" Record Type and the new aggregated record using the "Insertion" Record Type. Conversely, where the aggregation occurs under an already existing Group-level Event ID, the original records would be reported using the "Deletion" Record Type, while the existing Group-level record would be updated using the "Update" Record Type.

2. Records falling below the materiality threshold in subsequent reporting periods Clarification is also required regarding the treatment of records that, in a subsequent reporting submission, fall below the materiality threshold.

In particular, where an event reported above the threshold at reporting date T-1 falls below the threshold at reporting date T, it appears that the event should nevertheless continue to be reported using the "Update" Record Type, with the relevant field populated with the updated gross amount, even if such amount is below the materiality threshold.

Such an approach would require the IT applications supporting the reporting process to continue capturing and monitoring also below-threshold events, resulting in implementing mechanisms that would be particularly burdensome, especially for large banking groups.

We would welcome confirmation that all impacts of a single operational risk event occurring within the same legal entity (including across its branches and lines of business) are to be aggregated under a single Event ID, rather than reported as separate events, as this directly affects the Primary Event designation and the application of the materiality threshold.

Considering events already declared in the current corep process, clarification would be welcome regarding if they are also considered already declared in the future corep and in that case it should be also précised how should be managed all incidents previously declared but are below €20k (for all institutions with threshold below €20k).

. PRIMARY EVENT - Should it be confirmed that reporting is also required at the level of individual subsidiaries (for which the Business Indicator exceeds the threshold), it would be necessary to clarify how the flag should be populated for events reported at the level of individual subsidiaries as well, or only at consolidated level.

Furthermore, considering that the designation of the Primary Event shall be consistent over time and across reporting periods, it is not clear how to handle cases where it is necessary to delete a record for which the Primary Event field has been set to "Yes";

. LOSS ADJUSTMENTS - The definition of the field presents certain inconsistencies. Initially, it is specified that the field should also include loss adjustments relating to events accounted for in previous financial years but reported for the first time during the current reporting period. However, in the definition of the value "Yes", it is reported "*Institutions shall report Y (Yes) in the Loss Adjustments field if any positive or negative adjustment has been made to* a *previously reported operational risk event during the current reporting period.", without any references to events already previously reported which should have the flag set to "Yes";* In addition, it is unclear how the starting point should be used for identifying loss adjustments compared with previous reporting submissions (even if under the previous reporting framework). For instance, if there is an event from previous years amounting to EUR 5,000 and it increases to EUR 30,000 in the new reporting period, it is not clear if it should be considered as new or as an adjustment.

. Events previously declared in past coreps but below €20k (for all institutions with thresholds below €20k): how should they be handled in case of variation?

. Accounting date: it is not clear if this field should always have a value, for example in case of correction related to taxonomy (or related to occurrence/discovery date) which accounting date should be chosen when several losses have been reported in past reports? In addition, if there are several provisions during the year which date should be chosen.

. Precise dates "ddmmyyyy": this could lead to the reporting of corrections which are not significant from a risk perspective (like the modification of the occurrence date for a few days delay). From a risk perspective, a granularity at year level "YYYY" for all dates, should be enough and would simplify the reporting in case of corrections or in case there are several flows in the same year.

. PENDING LOSS - The Article 318(2)(d) of Regulation (EU) No 575/2013, provides that material pending losses shall be included in the loss data set within a period proportionate to the size and age of the suspense item. Consequently, institutions may recognize pending losses with a delay compared to the reporting data and apply materiality thresholds for collecting pending losses higher than €20,000, thus resulting in lack of consistency in the regulatory reporting across banks.

Moreover, the criteria according to which an event should be classified as a “Pending Loss” is unrepresentative. Namely, the choice to set the field “Pending Loss” as a “Y/N” flag does not allow to correctly represent events whose amount is partly accounted as effective loss and partly still kept as pending loss; even the adoption of prevalence-based criteria would still provide a representation that is not fully meaningful.

It is therefore proposed to represent “Pending Losses” through an amount-based field rather than by a flag, in line with the requirements provided for template C 17.02;

. ICT RISK – RELATED TO CYBER – It is unclear whether the population of the field should include only events reported to Authorities competent for the Group and the Parent Company, or also events reported to local Authorities competent for Group Subsidiaries based in different Countries; The rules related to this criteria are part of DORA guidelines and implemented by institutions; However, the integration in the attribute makes the reporting even more complex

. CODE – It is necessary to clarify which code should be used for the representation of the legal entity where the loss occurred, namely whether institutions should use an internal identifier or the Legal Entity Identifier (LEI) code of the relevant Legal Entity;

The rationale underlying the requirement that the selection of specific attributes (Legal risk, Model risk, ICT risk – not related to Cyber, ICT risk – related to Cyber, Boundary, Third party risk, ESG risks, Greenwashing risk and Business Continuity) should be consistent with other reporting fields, including Event Status and Pending Losses, is not clear. Globally, the attributes requisites are more complex than in EBA new taxonomy RTS (with mergers or new information). We would recommend a simpler approach with a Yes/No Flag reflecting the 15 attributes exactly as they are in the final RTS. For example: Boundary risk “Credit Risk where not included in RWA for Credit Risk” in EBA RTS has become “Credit” in C17.01; ICT Risk attribute needs to be reported as “declared or not to authorities” when it was not précised in EBA RTS.

Additional areas where there is a potential lack of clarity include:

- Events with a single record and no changes. If an event exceeds the threshold but has not had a variation in the last two years, we understand that it is not reported.

- Events with several records and some with no changes. If one of the records (a line of business, LN) has not registered changes, we understand that this record must be declared, since not declaring it would make it seem that the amount of the event has passed to the other LN that is declared and would have varied, when this is not the case. In this case, we understand that the value of the "Record Type" field is the same for all records of the event; that is, although the record has not changed, since the event has varied, it is declared with Update.

- Reported events that remain below the threshold for several consecutive financial years. Events that exceed 20k before or after the adjustment are reported. Example: in Dec 26 the event has 20k, during 2027 it has an adjustment of -5k and remains at 15k; this event must be reported, because before the adjustment it exceeded the threshold. Does it have to be sent in all financial years, even if it does not exceed 20k again, or only when it exceeds 20k again?

- Events that had several records in the previous submission and only one in the current one (grouping of several lines of business into a single one). We understand that only the record with the line of business in the current financial year should be reported. If the event has not varied its amount, but has grouped everything into the same LN, we will report the "Loss Adjustment" field as N. If, on the contrary, in addition to unifying the amount in a single LN, the event has varied its amount, we will report with Y. (NOTE: the definition of this field refers to the operational risk event, not the record).

- Events that had a single record in the previous submission and now have several (the amount has been disaggregated into several LNs). If there has only been a redistribution of the amount (total event amount without variation), we understand that all records are reported with Loss Adjustment = N. (NOTE: the definition of this field refers to the operational risk event, not the record).

- Events that are no longer OR (Operational Risk). These events are declared with the field Record Type = Deletion. Is the Loss Adjustment field reported as N? The field does not accept a "blank" value.

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Questions on the fields requested:

Event ID: The Event Code must be unique. How to report simple events that join another event, and therefore, their ID changes? (Ditto with multiple ones that are completely undone, their entries are re-distributed in other events)

If it stops being reported, it can be interpreted as having no more changes. By incorporating its loss into another event, the supervisor may get the idea that we have more losses than there actually are.

If reported using the field Record Type = Deletion, it would not comply with the definition in the standard: "e.g., the event does not meet the reporting criteria or was mistakenly classified as an operational risk event".

Any other alternative?

Record Type: "for each reported record", therefore it cannot be understood that it is reported at the event level, but at the record level (event-line of business, ev-ln). But the value Insertion is defined at the event level: "Insertion: The record represents an operational risk event reported for the first time." The rest of the values are defined at the record level.

Question: What happens when a record (ev-ln) "disappears"? Because it joins another LN or because it is cancelled? We understand that there is no way to declare the deletion of these records. If it is cancelled, we understand that the record is reported with amounts at 0. If it joins another line of business, we understand that this record is no longer reported.

Question: "In cases of Update, Correction, or Deletion, institutions shall report a record that is complete in all data fields." How does this fit with having Level 2 and attributes available for "update" cases of events prior to the RTS publication date?

Event Status: The instructions do not provide a workable definition of when an event should be considered “Closed”. With the exception of legal matters, which may reasonably be closed at the settlement date, most operational risk events can continue to give rise to future losses (for example through further provisions, reopened claims or late recoveries), and it is therefore unclear on what objective basis an event can be classified as closed. We request that the EBA specify the closure criterion (for example, absence of movement over a defined number of periods), confirm whether a closed event may subsequently be reopened, and clarify how such reopening should be reported.

Primary Event: By what criteria is it assigned? All entries of the same event have the same Event Type, so how to determine which line of business / entity is the one that decided the Event Type?

It must be a criterion that ensures this assignment does not vary over time or across financial years. This makes it difficult, because assigning based on some characteristic of the oldest entry may vary if an entry subsequently enters that is older than those already registered

Possible solution: Once assigned, do not "recalculate" it in subsequent financial years. But what if there is a change in the LN and the one with the Primary Event marker disappears?

Loss Adjustment: See questions in the first block:

Events that had a single record in the previous submission and now have several (the amount has been disaggregated into several LNs). If there has only been a redistribution of the amount (total event amount without variation), we understand that all records are reported with Loss Adjustment = N. (NOTE: the definition of this field refers to the operational risk event, not the record).

Pending Losses.

Gross Loss. We understand that the total amount is reported, not the variations.

Level 2 and Attributes. Based on RTS, for adjusted events prior to 2025, there is no obligation to have Event Type II or Attributes reported, right?

For historical events, which will be update, is it mandatory to have the information for the fields associated with the new RTS or could it be left blank? Will the validations allow a blank value?

We would note that manual intervention is required for some of the items in the new template C 17.01 (e.g. 0020 Record Type vs. previous submissions or 0040 Primary Event vs. events of other legal entities not subject to this report).

Attributes - further classification e.g. for 0200 Legal Risk (Misconduct, Other than misconduct, No), 0220 ICT risk – related to Cyber (Reported to the Competent Authority, Not Reported to the Competent Authority) for the purpose of this reporting might involve additional investigation for each event as mandating these detailed classifications within a global loss capture system does not look reasonable.

Question 5. Do the respondents agree that, in case that the Loss adjustments refer to a loss event that was not previously reported, as accounted for the first time in previous financial years, such loss event should be reported regardless of when the original loss event has been accounted for the first time (column 0050)?

For sake of clarity, a starting point, even if very remote, could be defined keeping in mind that non-significant change on very old events could trigger reporting in Corep of records rarely relevant regarding actual risks of the industry.

We would need additional clarification on this question. If it refers to historical loss adjustments relating to events that were first recognized in previous financial years, we consider that it is feasible to report this information. However, doing so would once again require the application of the new taxonomy to historical events, resulting in additional implementation effort, retrospective data reviews and potential data quality challenges.

Additional clarification regarding the intended scope of this requirement would therefore be beneficial.

Question 6. Do the respondents agree with the proposed approach to one-off reporting of 10-year operational loss history for the starting point?

The arrangements envisaged for defining the starting point are not sufficiently clear, particularly regarding how template C 17.02 is intended to be used as the starting point.

Should the intention be to use the dataset prepared for template C 17.02 as the starting point for template C 17.01 reporting (specifically for the identification of loss adjustments), certain implementation constraints would arise.

The two templates provide for different criteria for the extraction of above-threshold events: under template C 17.01, the materiality threshold is assessed based on the gross loss amount of the individual event and it is not explicitly clarified that the gross loss should be considered with reference to the last 10 years, whereas template C 17.02 determines the threshold based on the cumulative net loss amount over the last 10 years.

Moreover, template C 17.02 explicitly provides that the materiality of events is to be assessed based on the cumulative impact over a 10-year period, whereas such criterion does not appear to be expressly referred to in template C 17.01, which could also include updates relating to events initially accounted for beyond the 10-year period. Conversely, should template C 17.02 be used as the starting point for template C 17.01, this would seem to imply that the same 10-year time criterion should also apply to the latter template.

In addition, it is important to explain why thresholds used for C17.01; C17.02, EUR OR1 Disclosure; QIS, are different as it implies different datasets to build and de-multiplication of 10-year reports.

This implies that the submission of the two templates (as currently set out in the requirements) within the same reporting period, together with the use of template C 17.02 as the starting point, would nevertheless not allow the identification of the deltas to be reported in template C 17.01 in terms of amount variations.

More generally, we consider that template C 17.02 represents an additional one-off reporting exercise that creates a significant implementation burden. Information on historical operational risk losses has already been reported through existing supervisory reporting requirements, quantitative impact studies and Pillar 3 disclosures. Consequently, the incremental supervisory benefit of introducing an additional one-off reporting exercise appears limited, particularly when weighed against the complexity and implementation challenges arising from its use as the starting point for template C 17.01. A lighter or more targeted approach would therefore be preferable and would ease the transition.

COEXISTENCE WITH EU OR1 reporting – Clarification is requested regarding how the one-off template C 17.02 is expected to operate alongside the existing EU OR1 Pillar III disclosure during the transitional period. In particular, it is unclear whether institutions are expected to continue reporting EU OR1 in 2027 under the current requirements while simultaneously preparing template C 17.02 over the same ten-year loss history under the new requirements, which would result in duplicative reporting of the same loss population on two different bases. Confirmation of the intended sequencing, and of whether one report is ultimately expected to supersede the other, would be beneficial.

Question 7. Do the respondents agree that the one-off reporting template is clear and fit for purpose of the underlying regulation?

It is necessary to confirm whether template C 17.02 should be submitted both at aggregated level for each for each level 1 Event Type and also for the total Event Types.

Question 8. Do the respondents agree that the instructions for the one-off reporting template are clear and fit for purpose?

Confirmation is requested regarding the correct interpretation of the logic envisaged for populating the template. In particular, further guidance would be beneficial regarding the logic used to determine the population of reportable events, including the calculation of net losses above the

EUR 20,000 threshold, the treatment of events that originated before the 10-year observation period, and the methodology for determining the number of reportable events. Clarification is also requested regarding the use of a net loss threshold for the one-off template, compared with the gross loss threshold applied under template C 17.01.

Specifically:

only events accounted for the first time in one of the last 10 financial years whose cumulative net amount over the ten-year period exceeds the materiality threshold should be included among the “new events”;

conversely, the “loss adjustments” should include only events accounted for the first time prior to the last 10 financial years, for which the total net amount of the adjustments recorded over the last 10 years exceeds the relevant materiality thresholds.

By way of example, this would imply the following:

an event firstly accounted in T-5, with a cumulative net amount over the 10-year period equal to €30,000, entirely accounted in T-5, would be included among the “new events” and entirely reported in the “Gross loss amount” of the “new loss events” for financial year T-5;

an event firstly accounted in T-5, with a cumulative net amount over the 10-year period equal to €30,000, of which €100,000 accounted in T-5 and €-70,000 in T-4 due to release of funds, would be included among the “new events”, and the related amount of €100,000 would be reported in the “Gross loss amount” of the “new loss events” for T-5 and €-70,000 in T-4, in line with QIS reporting;

an event firstly accounted in T-12, with a net amount of €150,000 accounted in T-12, for which a positive adjustment of €10,000 is recorded in T-8, would not be included in the reporting;

an event firstly accounted in T-12, with a net amount of €150,000 accounted in T-12, for which a positive adjustment of €10,000 is recorded in T-8 and a further positive adjustment of €20,000 is recorded in T-7, would be included in the reporting among the adjustments for financial year T-8 in the amount of €10,000 and among the adjustments for financial year T-7 in the amount of €20,000.

Moreover, the definition of the population logic for certain fields could be further refined. In particular:

TOTAL DIRECT LOSS RECOVERY and TOTAL RECOVERY FROM INSURANCE – It is proposed to clarify that all recoveries (non-insurance and insurance, respectively) relating to above-threshold events reported for the relevant reference year should be included.

Additional guidance would also be helpful regarding the allocation of historical losses to the relevant reporting year, as well as the treatment of adjustments and recoveries, in order to ensure a consistent application of the reporting instructions across institutions.

Regarding insurance recoveries, it is important to precise if it should be limited to recoveries from external insurance as many institutions have internal insurance companies.

Considering the examples provided above, confirmation is requested regarding the consistency of the logic envisaged for populating the template with that adopted for the EU OR1 template for Pillar III reporting purposes, except for the distinction between “new events” and “loss adjustments”, which is not required under Pillar III reporting.

Given the complexity of the template and the number of interpretative questions arising from the current instructions, the inclusion of practical examples would significantly improve consistency of interpretation and implementation across institutions.

Some further observations include:

- We understand that the treatment of provision cancellations made in QIS (considering them as recoveries) does not apply.
- Confirm that the threshold in c17_1 is applied to the gross loss, while in c17_2 it is applied to the net loss.
- Confirm that the sign of the amounts can be both positive and negative for adjustments.
- The definition of "new" is not fixed during the period, is it? When an event first accounted for losses in year 5 and accounts for them again in year 2, in year 5 it is counted as new and in year 2 it is counted as an adjustment; confirm.

Moreover, to ensure a correct interpretation of the instructions for filling out the reporting templates, it would have been helpful to incorporate illustrative examples within the instructions and to clarify feeding rules for certain fields, as outlined in Question 8.

Ultimately, we would welcome explicit confirmation of the expected reconciliation between the granular template C 17.01 submission, the one-off template C 17.02 starting point and the existing EU OR1 Pillar III disclosure. In the absence of a defined validation rule, the same underlying loss history could produce three differing aggregate figures. A documented tie-out (granular net equal to the C 17.02 net equal to the EU OR1 total, by event type and threshold) would materially improve consistency and reduce the volume of supervisory queries.

Question 9. Do the respondents agree with the proposed approach to the transitional arrangements for reporting operational risk losses in 2026 and 2027 until the application of the revised ITS on supervisory reporting?

We also support the transition to the new reporting framework, with December 2027 as the first reference date. Until then, we understand that reporting will continue through the existing COREP templates C 17.01 and C 17.02 under the proposed transitional approach.

Paragraph 18 of the Consultation Paper indicates that the first granular report will need to cover, on a retroactive basis, loss events occurring from the date of application of the RTS on operational risk taxonomy. This additional reporting period is currently uncertain and may prove challenging to implement. It would also move away from the comparability currently achieved through fixed semi-annual or annual C17 reporting cycles. In addition, it could imply that 2026 data will be reported twice, in current and future Corep. Further clarification is therefore required regarding the practical implementation of this requirement and its interaction with the proposed transitional arrangements.

Globally the transition period is complex and seems abrupt: implementation of new C17.01 which is complex, with a larger scope and for which precise rules might be fine-tuned close to end of 2027, with in addition a new 10-year report which will be used only once. We therefore encourage the EBA to consider additional simplification measures and transitional relief to facilitate the implementation of the new reporting framework.

We also invite clarification on the treatment of intra-year timing differences, so that purely temporary recognition movements that net to nil within a reporting period need not be tracked as adjustments.