



Reporting obligations in the context of the Instant-Payment-Regulation

Another piece in the mosaic for the development of integrated compliance reporting

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Specialized article



Reporting is a central element of governance for payment service providers. It ensures transparency towards regulatory authorities and stakeholders and at the same time serves as a strategic instrument for internal management. Especially at a time when regulatory requirements are constantly growing, an efficient reporting landscape is not only a means of fulfilling legal obligations, but also a decisive competitive advantage.

The new Regulation (EU) 2024/886 on real-time credit transfers (Instant-Payment-Regulation, IPR) underlines this development. Article 15 of the regulation imposes new reporting requirements on payment service providers. These not only require payment service providers to take action at an early stage, for example in the form of technological adjustments to the IT infrastructure, but also open up opportunities to make efficient internal use of the facts and data to be reported.

In addition to the external reporting obligation, reporting in accordance with the IPV offers considerable potential for internal bank management. It offers banks the opportunity to develop from a reactive to a proactive approach. The new data streams from regulatory reporting can be used as the basis for an expanded and integrated internal management model. The focus here is on optimizing operational efficiency, reducing risks and leveraging potential synergies between external requirements and internal management approaches in order to create a future-proof reporting landscape.

Subject and objective of the new reporting obligations of the Instant-Payment-Regulation

As already mentioned, Article 15 of the new regulation introduces new reporting obligations which, from the perspective of banking supervision, are intended in particular to enable precise monitoring of the development and use of real-time credit transfers. These requirements are a key component in assessing the implementation of the regulatory strategy, increasing transparency in the payments market and sustainably promoting the spread of real-time credit transfers. The new reporting obligations can be found in paragraphs 3a and 3b of Article 15. Paragraph 3a refers to "charges for payment services" and paragraph 3b to the "share of refused payment executions".

Charges for payment services

A core obligation of the new regulation is the reporting of fees charged by payment service providers. The following categories must be recorded separately:

- Fees for national transfers,
- Fees for cross-border transfers,
- Fees for real-time transfers, and
- Fees for payment accounts.

The differentiated presentation is intended to enable the banking supervisory authority to analyze pricing in detail and, in particular, to allow a comparison between traditional transfers and real-time transfers. The aim is to monitor the effects of Article 5b of the Regulation. This provision stipulates that charges for real-time credit transfers may not be higher than those for traditional credit transfers and is intended to ensure that the introduction and use of real-time credit transfers is not inhibited by excessive costs.

However, the methodology is currently unclear: it remains unclear whether payment service providers must provide average values for the reporting period or values on the reporting date. The European Commission has announced that it will publish technical regulatory standards in accordance with Article 15(5) to clarify these issues.

Refusal to execute payments

In addition, payment service providers must report the percentage of refused payment executions. These reports cover both national and cross-border transfers and focus on cases where payments have been refused due to anomalies in the daily or ad hoc customer check in accordance with Article 5d. The category of refused payment execution refers to the implementation of targeted restrictive measures¹ and not to the verification of the payee. The purpose of this reporting requirement is to monitor the effectiveness of sanctions compliance measures without creating unnecessary obstacles to the use of real-time credit transfers. The first notification of the two reporting obligations is scheduled for April 9, 2025 and will be repeated annually.

Anm: ¹ Targeted restrictive measures within the meaning of the Regulation refer exclusively to measures within the meaning of Article 215 of the AEHR that are imposed on persons, entities or organizations with the effect that their assets are frozen or that no funds or economic resources are made available to them or for their benefit, either directly or indirectly.

Objective of the reporting obligations

The two reporting obligations are closely linked to the strategic objectives of the regulation and serve complementary purposes:

a) Development and transparency of fees

The supervisory authority would like to use the data collected to analyze the development of cost structures in payment transactions. The focus here is on two questions in particular:

- Does the cost parity between real-time credit transfers and traditional credit transfers - as required by Article 5b - actually lead to a higher use of real-time credit transfers?
- Are there specific cost trends that indicate market distortions or regulatory loopholes?

b) Evaluation of refused payments

The reporting of denied payment executions enables the supervisor to assess the effectiveness and impact of the customer due diligence under Article 5d. The aim is to maintain a balance between compliance with sanctions and the avoidance of operational barriers to real-time credit transfers. Particular attention is paid to not causing excessive delays or impediments in the payment process of real-time credit transfers.

This poses operational challenges for payment service providers. While transaction-based screening can be performed within milliseconds, the Regulation emphasizes the importance of regular and ad-hoc checks of the customer portfolio to complement real-time screening. These checks ensure that payment service providers comply with the targeted, restrictive measures set out in the Regulation without hindering the seamless execution of real-time credit transfers. This approach is in line with the wider legal requirements, including anti-money laundering measures and compliance with other restrictive obligations, ensuring a balanced and effective compliance framework.

The facts and data to be reported are intended to enable the Commission to evaluate the measures taken in the context of a report to be submitted to the Council with regard to their effectiveness in establishing the use of real-time credit transfers.

Reporting requirements as an opportunity for anchoring the compliance function in overarching bank management

However, the new reporting obligations of the Instant Payment Regulation are not just a regulatory requirement that must be met in order to avoid sanctions and reputational damage. They also open up significant opportunities for payment service providers. The collection and processing of the data required for external reports creates a valuable information base that can be integrated into internal overall bank management in a targeted manner.

This offers payment service providers the opportunity to turn regulatory requirements into strategic advantages:

Mitigation of compliance-specific risks

The reporting obligations of the IPV are intended to support the overarching objective of establishing real-time credit transfers in the EU internal market. Irrespective of this, the reporting obligations on the proportion of denied payments due to the application of targeted, financial, restrictive measures allow a controlling function of compliance risks. Based on the results of the customer portfolio checks and the subsequent hit processing, important insights can be gained into the risk exposure of certain customer segments. The starting point for this is a corresponding structuring or processing according to the institution-specific customer and country risks.

Optimization of processes

Even if the IPV does not currently provide for an external reporting obligation to transmit performance or process-oriented information, the requirement for daily and ad hoc customer checks requires the establishment of a sustainable infrastructure and efficient workflows or integrated processes. It is conceivable that the EU sanctions lists can be updated several times in one day and thus expanded to include new sanctioned persons and organizations. This requires an established, functional and, above all, high-performance architecture at all levels. In this context, performance and process-oriented key figures provide important insights into the status quo and the optimization potential of the operational infrastructure and processes.

Increasing cost transparency

The regular recording of fees for payment services not only enables precise compliance with reporting obligations, but also provides important insights into the bank's own pricing. A comparison of fees between traditional and real-time transfers as well as between national and cross-border transactions can make internal cost structures transparent. This allows optimization potential to be identified and inefficient pricing models to be adjusted in a targeted manner, resulting in an improved competitive position. Irrespective of the possibility of active pricing, it is important to ensure that the fees for the execution of real-time transfers do not exceed those for standard SEPA credit transfers in order to meet regulatory requirements. In this respect, reporting on the fees for payment services makes it possible to manage the legal risk in relation to non-compliance with rules and standards.

Payment service providers should therefore not see the additional requirements as a necessary evil, but rather as an opportunity to implement in depth compliance obligations.

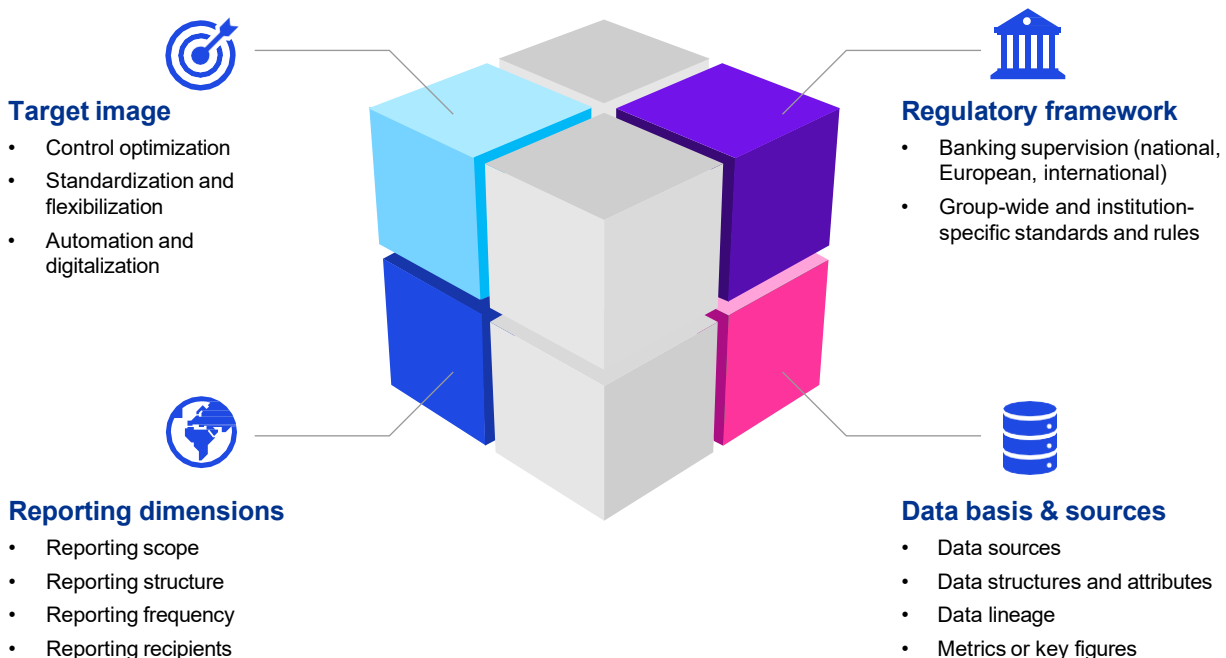
Challenges for the expansion or extension of comprehensive bank management in the context of the IPA's reporting requirements

The integration of the new reporting components into an overall reporting landscape, taking into account the regulatory requirements, poses a number of challenges for payment service providers. The concrete requirements for implementing the external reporting obligations from the IPV are specified via technical regulatory standards. In this respect, they represent the minimum requirements for the structure of reporting.

It is common practice for the obligated organizations to initially focus their available resources on fulfilling the minimum regulatory requirements. Under the premise of creating added value for overarching bank management, a systematic approach combining external and internal reporting objectives is recommended.

The starting point, in terms of conceptual development, is to define a basic structure for the design of integrated reporting. In an overall presentation, compliance reporting is determined by the aspects shown in the following diagram. The first step is to define the respective institution-specific preferences by means of a coordinated target image.

Fig. 1: Central building blocks for setting up integrated reporting



Source: KPMG in Germany, 2025

The consideration of the aforementioned components and the selection of the individual component characteristics must be made on an institution-specific basis, particularly with regard to the desired level of integration and automation of compliance reporting.

In addition to the objective, the regulatory standards that must be complied with, the institution-specific standards and the (risk) strategic orientation provide a basic framework for the respective implementation project. The specific requirements for the other components can be formulated depending on the defined objectives.

A prerequisite for the target-oriented structure of reporting is the definition of the key reporting dimensions. On the one hand, the exact scope of reporting must be defined. In addition to the information that is mandatory from the perspective of banking supervision, this also includes internal elements specific to each division. The specification of a uniform structure across all areas, even across different contents of the information to be reported, is expedient. On the other hand, it is necessary to define the reporting frequency in addition to considering the external and internal reporting recipients. Depending on the management content of the information to be reported, this can go beyond the annual reporting obligation required by supervisory law and be mapped via a half-yearly or quarterly cycle.

The data requirements for the key figures to be reported and the desired reporting components also represent a key element. The mandatory reporting requirements of the IPV require the information to be taken into account and the connection of various systems and modules. Although the information on denied payments can be obtained from the compliance systems,

determining the information on the fees for payment services requires a connection to data sources outside the compliance area.

Particularly in view of the inclusion of additional internal reporting components, it is advisable to systematically collect and describe the data requirements and to design the data supply agreements. The data structures and data fields required to calculate the key figures can be identified on the basis of a retrograde approach along the entire data processing chain (data lineage).

Particular attention must be paid to source structures and data fields that have not yet been extracted from the source systems and transferred to existing data warehouse solutions. The adaptation of existing interfaces or the creation of new ones is usually prepared on the basis of data field mapping.

As a result, reporting consists of a consecutive process from data provision, processing and preparation through to forwarding to the respective reporting recipients. It is desirable to implement this process as automated and system-based as possible.

In this context, SAS, a provider of innovative analytical solutions, offers highly effective tools that meet these requirements. The SAS solutions have standardized, ready-to-use functions that simplify the workflow-based creation and preparation of reports. The solutions are flexible and can be used according to the specific requirements of individual payment service providers.



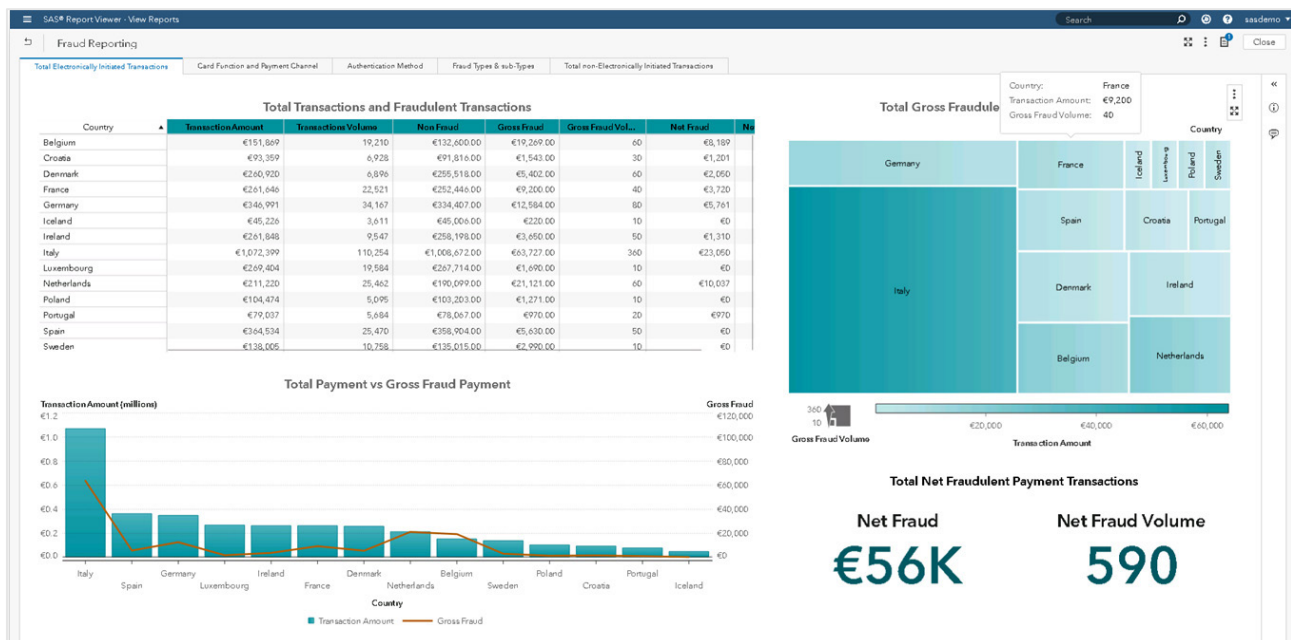
Evaluations and visualization of control-relevant compliance data based on the reporting solution of the provider SAS

Service providers such as SAS play a central role in supporting payment service providers to integrate new reporting requirements into a comprehensive internal control framework. By offering innovative solutions, SAS not only ensures compliance with legal requirements, but also creates the basis for extended and integrated reporting. Four key criteria are decisive here:

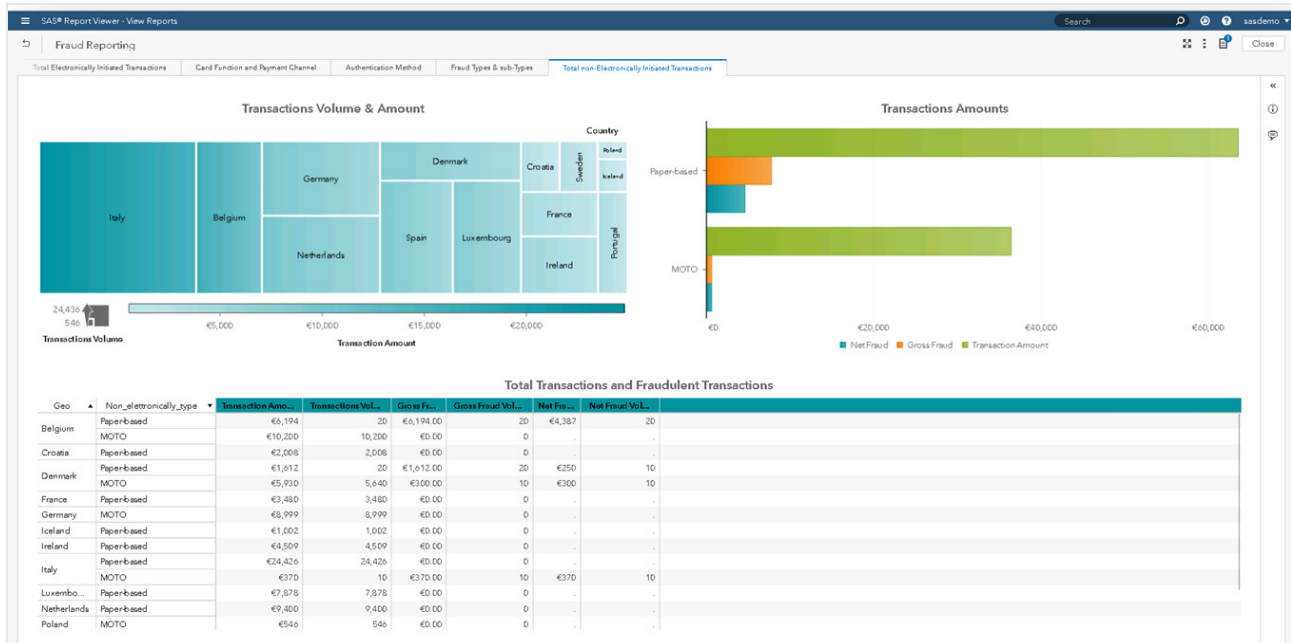
1. Creation of key figures and dashboards

Effective integrated reporting requires flexible and customizable metrics and dashboards that are tailored to the individual needs of financial institutions. SAS offers powerful functionalities that enable institutions to define and visualize both risk-related metrics (e.g. compliance violations, risk thresholds) and performance-related indicators (e.g. efficiency ratios, productivity metrics). These metrics serve not only regulatory purposes, but also internal strategic objectives and ensure relevance for various stakeholders. Dashboards provide an intuitive interface with drill-down capabilities and threshold indicators that allow institutions to manage compliance and performance with greater precision and clarity.

SAS offers regulatory reporting with tools designed for compliance with key financial regulations such as PSD2, GDPR, AMLD and local payment-related policies, and can enable the automated generation of reports required by regulators. Regulatory reports and dashboards can be specifically developed to meet compliance requirements relating to financial transactions, anti-money laundering (AML) and customer due diligence (CDD). While not exclusively for payments, they can be tailored to payment-specific regulatory reports, including transaction status, denied payments and CDD compliance metrics.



Source: SAS, 2025



Source: SAS, 2025

2. Functions for data preparation

The quality of integrated reporting stands and falls with data preparation. SAS offers extensive functions for data acquisition, transformation and aggregation. This enables payment service providers to consolidate data from different internal and external sources and harmonize it for analysis. For example, aggregation and feature generation can be used to create detailed risk and performance indicators that are specifically tailored to the requirements of the new Instant Payment Regulation.

3. Generation and extraction of reports

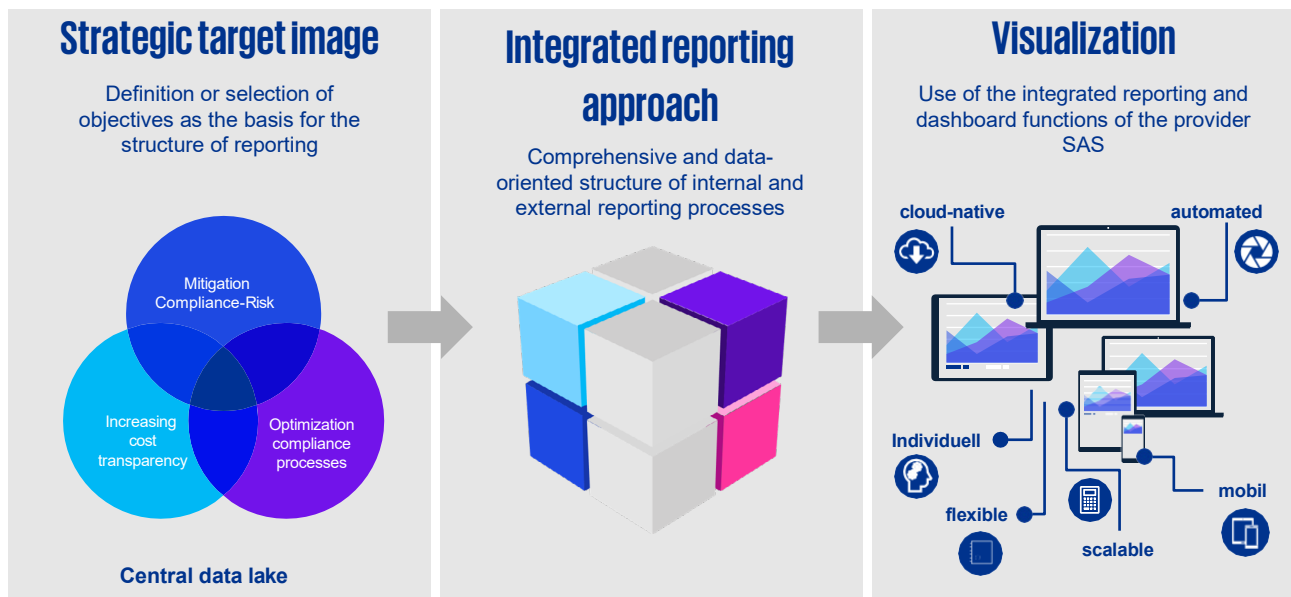
Another key area is the automation of report generation. SAS offers the ability to fully or partially automate reporting workflows, ensuring consistency and timeliness of reporting. The platform supports various export formats (e.g. PDF, Excel, CSV) and channels so that reports are optimally prepared for internal purposes as well as for submission to authorities. Integration into existing IT systems means that data flows can be automated seamlessly from recording to final reporting. This minimizes manual effort and significantly reduces the potential for errors.

4. Establishment of a results database

An integrated results database is the backbone of efficient and strategic reporting. SAS enables payment service providers to set up a centralized repository for storing and continuously updating relevant data. This repository not only ensures compliance with regulatory requirements, but also facilitates the secure sharing of insights and dashboards with internal teams or external stakeholders. By linking regulatory reporting obligations with internal control objectives, institutions can also strategically assess areas such as pricing structures for payment services or the optimization of compliance workflows.

The SAS solution thus enables payment service providers not only to fulfill external reporting requirements, but also to use them as a strategic lever for internal management. The integrative approach ensures that the regulatory requirements are effectively embedded in a holistic management model. This not only creates added value for the compliance function, but also promotes the operational efficiency and strategic orientation of payment service providers.

Fig. 2: Use of modern solutions in compliance reporting



Source: KPMG in Germany, 2025

KPMG as a know-how and implementation expert



KPMG has extensive experience and relevant references from projects for the development of integrated compliance reporting solutions for payment service providers.



In addition to our regulatory and technical consulting expertise in conceptualizing the requirements of the various sub-disciplines in compliance reporting, we have extensive experience in the automation of processes and the implementation of systems for the efficient alignment of compliance reporting.



Our consulting services can relate to individual aspects of the identification and establishment of compliance reporting key figures, such as performance (KPIs) and risk-relevant (KRIs) key figures, or to the expansion of the reporting subject matter or the scope of reporting beyond the boundaries of the compliance area.

SAS as a technology partner



SAS provides cutting-edge predictive modeling, machine learning and real-time data insights tools that drive innovation and informed decision-making.



Platforms can be easily integrated into existing IT systems, enabling payment service providers to consolidate data from multiple sources, ensure compliance with evolving regulatory standards and, beyond compliance, unlock additional strategic benefits.



SAS provides comprehensive regulatory compliance support, training and expertise. This ensures that payment service providers can implement secure and reliable solutions while increasing operational efficiency and meeting compliance objectives.



For a detailed look at the specific requirements and solutions, please refer to other **specialist articles on this topic:**

1. Fast Payments, strong partnerships: The future of the Instant-Payment-Regulation with KPMG and SAS
2. Sanctions
3. Fraud and Verification of Payee (VoP)

We will be happy to continue to inform you about the Instant Payment Regulation on our website: [Instant-Payment-Verordnung – KPMG Deutschland](#)

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