Towards a standardised reporting framework

Item 3.2

Supervisory Reporting Conference
Frankfurt am Main, 6 November 2018
1. Overview of current ECB initiatives:
   a. The Bank’s Integrated Reporting Dictionary (BIRD)
   b. The ESCB Integrated Reporting Framework (IReF)

2. About supervisory reporting data
1. Overview of current initiatives

**Current initiatives**

- **Banks’ Integrated Reporting Dictionary (BIRD):** set of common definitions and transformation rules on what information to extract, and how from banks’ internal systems to service regulatory reporting
  
  *Note:* Banks remain responsible for data content and quality

- **ESCB Integrated Reporting Framework (IReF):** aims at collecting data once to serve multi-purposes; focus on ESCB statistical requirements;

  *Note:* Supervisory reporting not in the initial scope

For BIRD, see: [https://banks-integrated-reporting-dictionary.eu/](https://banks-integrated-reporting-dictionary.eu/)

1. Overview of current initiatives

Semantic integration

Banks (Adopting BIRD)

Transformations by banks

Operational Systems

BIRD input layer (*)

Transformations defined by banks and authorities in BIRD

Close work already going on

ESCB Financial Statistics (BSI, SHS-S, MIR AnaCredit)

Coordination still in progress

Semantic and reporting integration

European Authorities

IReF collection layer (*)

Transformations by the ESCB

Supervisory/resolution reporting
EBA, SSM and SRB

(*) Using the methodology of the ECB Single Data Dictionary
What is the BIRD?

Bank’s Integrated Reporting Dictionary is a documentation covering certain reporting requirements for banks based on the input approach. This documentation comprises:

- a meta data driven dictionary (i.e. the Single Data Dictionary), which contains the description of a harmonized data model (Input Layer) and Transformation rules & Mappings to be applied on the input layer so as to derive regulatory reports (Output Layer), and

- the Technical guidelines (i.e. a word document providing additional information how to populate the Input Layer)

The BIRD fosters the exchange of knowledge and experience between its participants, thereby ensuring a better understanding by the banks of reporting requirements.
Managing numerous data sets, we need high quality metadata

- Data set structure
- Different codifications

Logical model to store meta data
1a. Overview of current initiatives: BIRD

BIRD reference dictionary integration
1b. Overview of current initiatives: IReF

- Integrated reporting scheme for banks across countries and across domains, with a focus on *ECB statistical requirements*

Main objectives:

- Consolidation of existing requirements into one report
- Simplification of the reporting
- Ensure proportionality

Expected benefits for banks:

- Fewer redundancies
- Higher cross-country standardisation
- Stability of reports and reduced need for ad hoc requests
1b. Overview of current initiatives: IReF

Datasets in the scope of the IReF

- **MFI balance sheet items statistics** (BSI)
- **MFI interest rates statistics** (MIR)
- **Securities holdings statistics** (SHS)
- **AnaCredit**

- **Target population:** *Deposit-taking corporations & NCBs*

- **Differences**
  - **Frequency:** e.g. MFI balance sheet *M & Q*, SHS-S *Q*
  - **Timeliness:** e.g. BSI reported to ECB *15 working days* after end of ref. period, SHS *70 calendar days* after end of ref. period
1b. Overview of current initiatives: IReF

Cost-benefit analysis (1/2)

**Aim**

Assess *jointly with the banking industry* over 2018-2019 the IReF impact prior to any decision on implementation

- Various scenarios are being evaluated
  Combining *reporting, production* and *dissemination* aspects
- Different from the *ESCB procedure for establishing a legal act*
- Two main steps are envisaged
  - Assess the scenarios identified in a *qualitative stock-taking exercise (QST)* based on *prevalent national practices* to achieve the *IReF objectives*
  - Then, *revisit* the scenarios and submit a *cost-benefit questionnaire*
1b. Overview of current initiatives: IReF

Cost-benefit analysis (2/2)

- The CBA will address the needs of **three classes of stakeholders**
  - **Reporting agents**, incl. the banking industry and NCBs – i.e. accounting, market and statistical departments of NCBs in charge of producing statistics
  - **Statistical compilers** – i.e. statistics department of NCBs
  - **ESCB user committees** – e.g. Monetary Policy Committee, Financial Stability Committee, etc.
2. About supervisory reporting data

Work has already started...

- **SSM Simplification Group on Reporting**: aims at streamlining SSM data collections (avoiding redundancies) by developing a database of recurring data collections (see also item 4.2 of the conference);
- **Integration of resolution reporting requirements** in the EBA’s single DPM (taxonomy 2.8);
- **Alignment of Pillar 3 requirements with supervisory reporting** (activity 14 of the EBA work program 2019)

Further cooperation needed between authorities, together with the industry in order to achieve:

- Efficient and standardised reporting framework, avoiding overlapping requirements;
- Appropriate data management and data sharing across European authorities;
- Ultimately reduction of the reporting burden and increase of the data quality
A possible cooperation set-up could be the establishment of a Committee with representatives from European authorities (e.g. ECB, EBA, SRB) and the banking industry.
Thanks for your attention

Questions?