EUROPEAN CENTRAL BANK

BANKING SUPERVISION

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Banking Supervision Data

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)

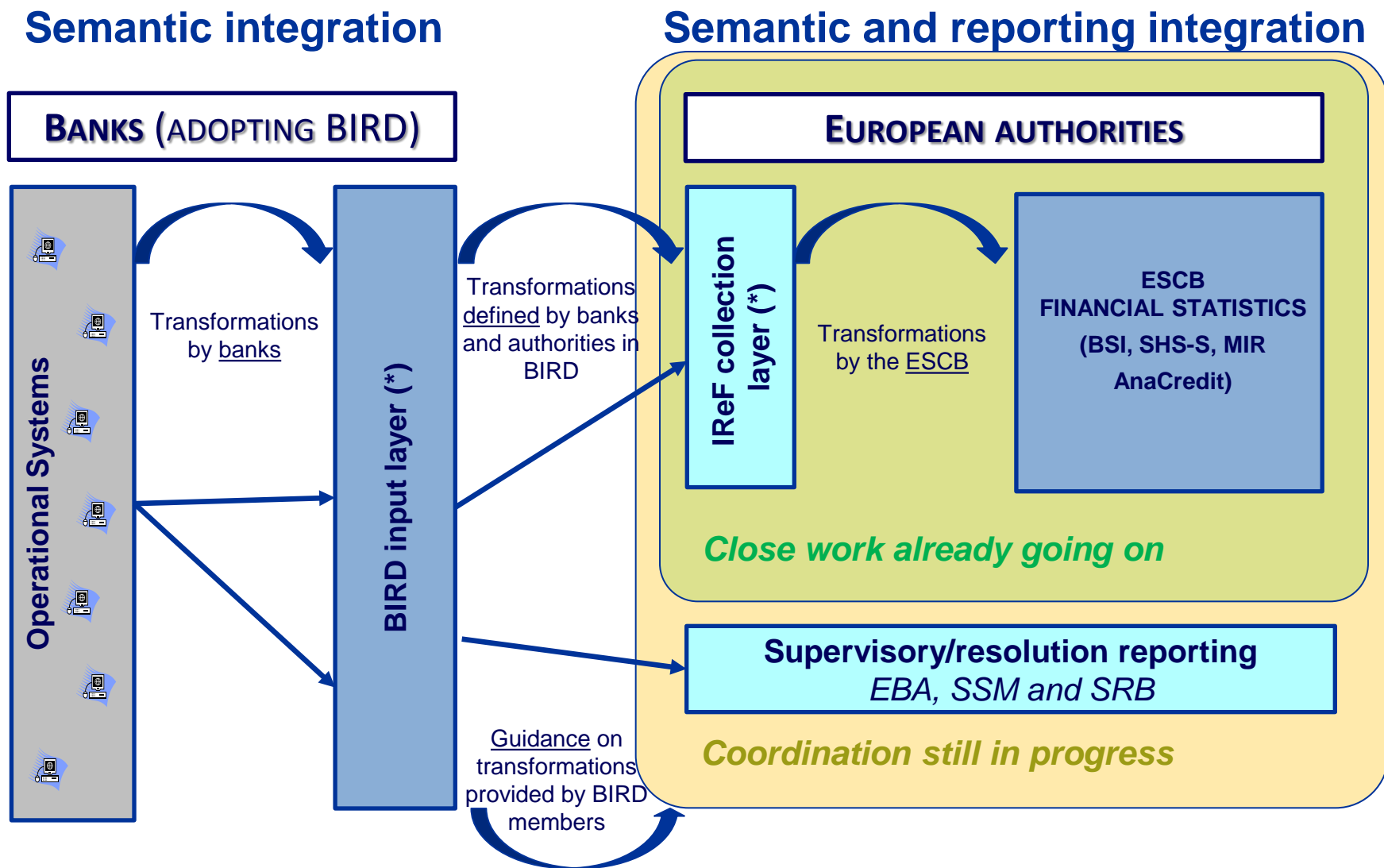2. About supervisory reporting data

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/

For IReF, see: https://www.ecb.europa.eu/stats/ecb_statistics/co-operation_and_standards/reporting/html/index.en.html

Semantic integration

Semantic and reporting integration

BANKS (ADOPTING BIRD)

EUROPEAN AUTHORITIES

Operational Systems

BIRD input layer (*)

IReF collection layer (*)

ESCB FINANCIAL STATISTICS (BSI, SHS-S, MIR AnaCredit)

Transformations by banks

Transformations defined by banks and authorities in BIRD

Transformations by the ESCB

Close work already going on

Supervisory/resolution reporting *EBA, SSM and SRB*

Coordination still in progress

Guidance on transformations provided by BIRD members

(*) 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
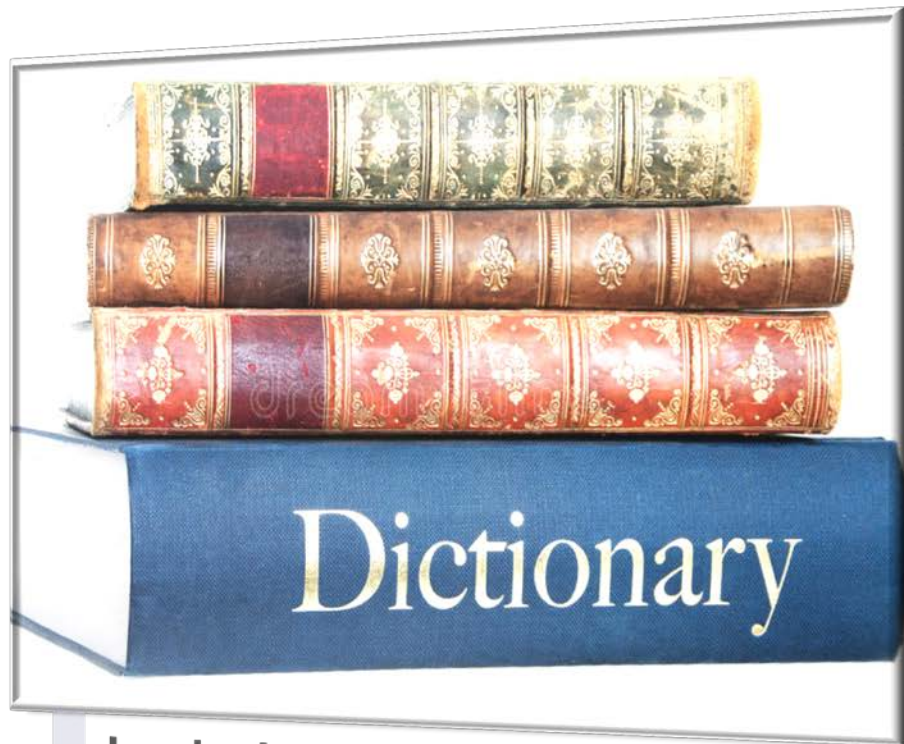
Logical model to store meta data

- *Data set structure*

- *Different codifications*

BIRD reference dictionary integration
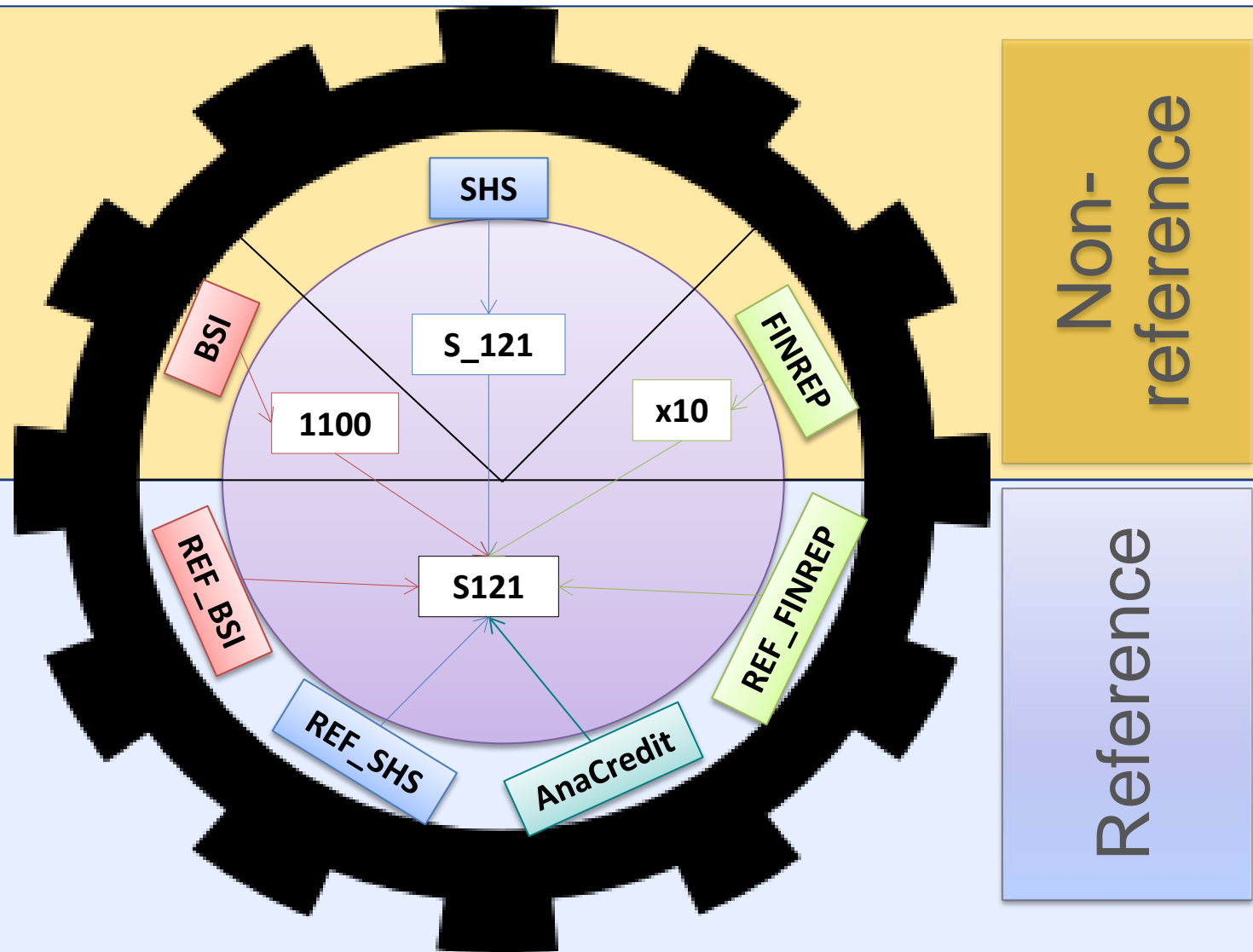
- Integrated reporting scheme for banks across countries and across domains, with a focus on *ECB statistical requirements*
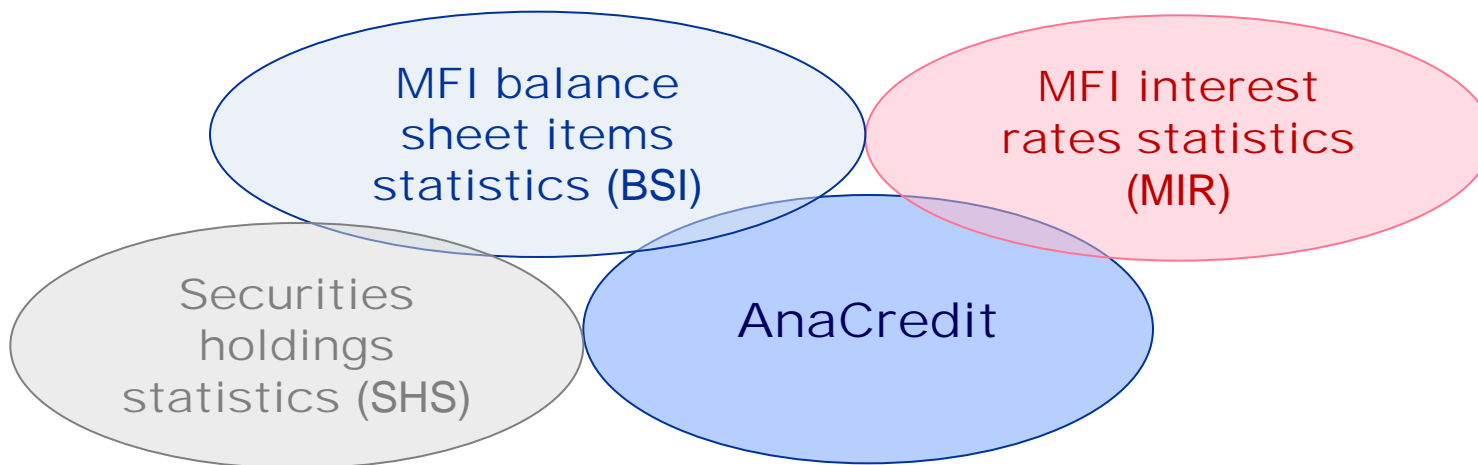
Main objectives:

- ✓ 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

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
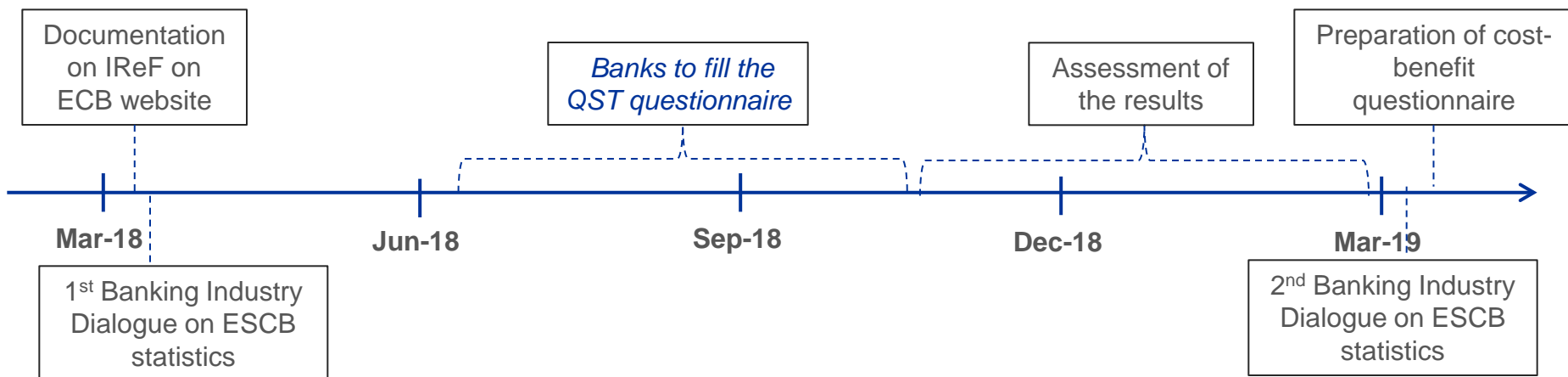
Cost-benefit analysis (1/2)

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*

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.

Documentation on IReF on ECB website		*Banks to fill the QST questionnaire*		Assessment of the results	Preparation of cost-benefit questionnaire

Mar-18 | **Jun-18** | **Sep-18** | **Dec-18** | **Mar-19**

1st Banking Industry Dialogue on ESCB statistics

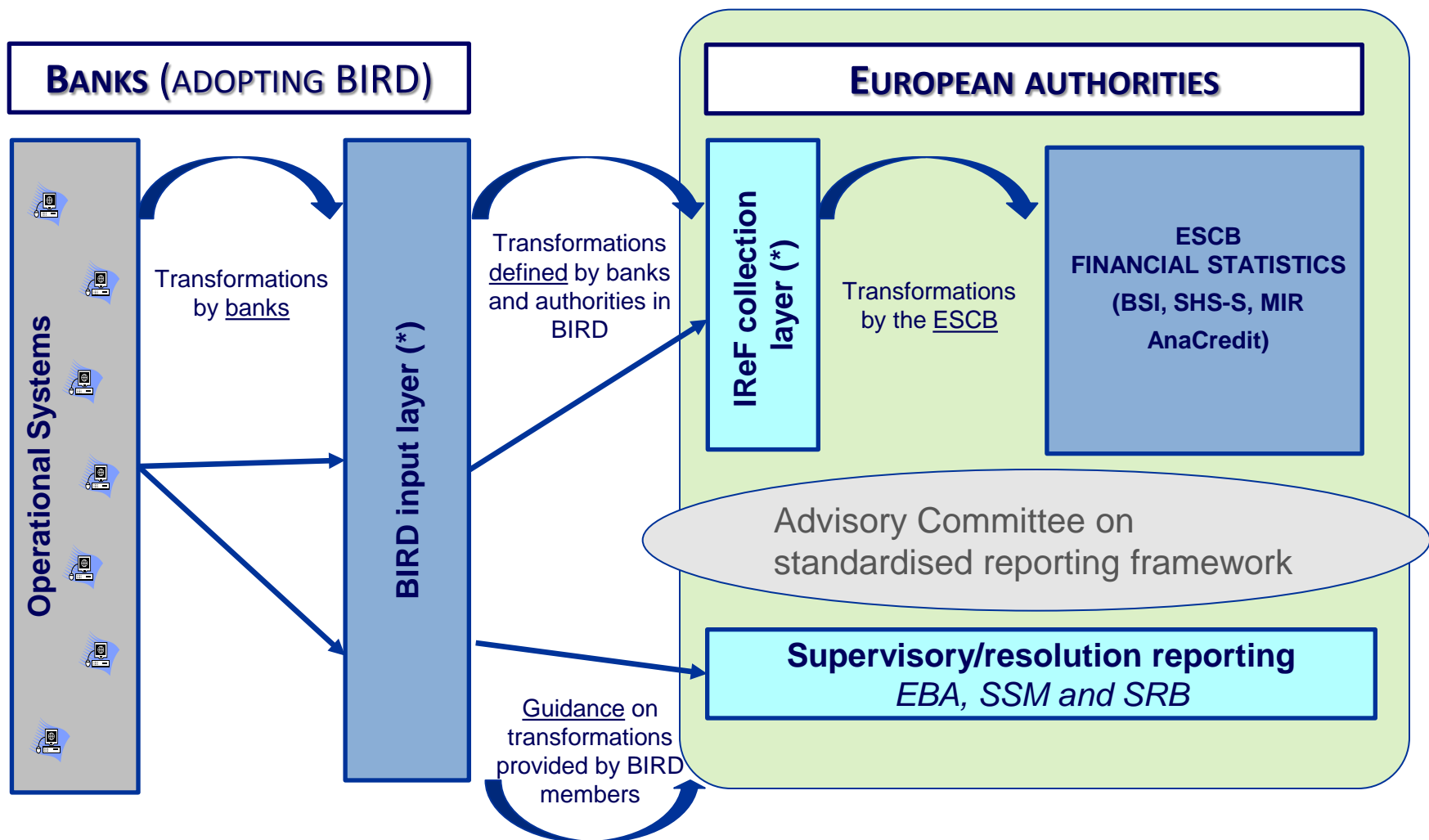2nd Banking Industry Dialogue on ESCB statistics

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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

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Advisory Committee on standardised reporting framework

Supervisory/resolution reporting *EBA, SSM and SRB*

Guidance on transformations provided by BIRD members

➢ **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**

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Thanks for your attention

Questions ?