



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-Public

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Hints on convergence and rationalisation of financial reporting in Europe

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Overview

- 1 Envisaged approach for the statistical reporting – overall and from banks
- 2 The ERF and the BIRD
- 3 Quid of supervisory reporting?

1. Envisaged approach to statistical reporting (1/3)

- In *moving beyond the aggregates*, the ESCB is targeting a **holistic approach to data reporting**

Integration

managing areas of statistical and supervision reporting as parts of a single system



Harmonisation

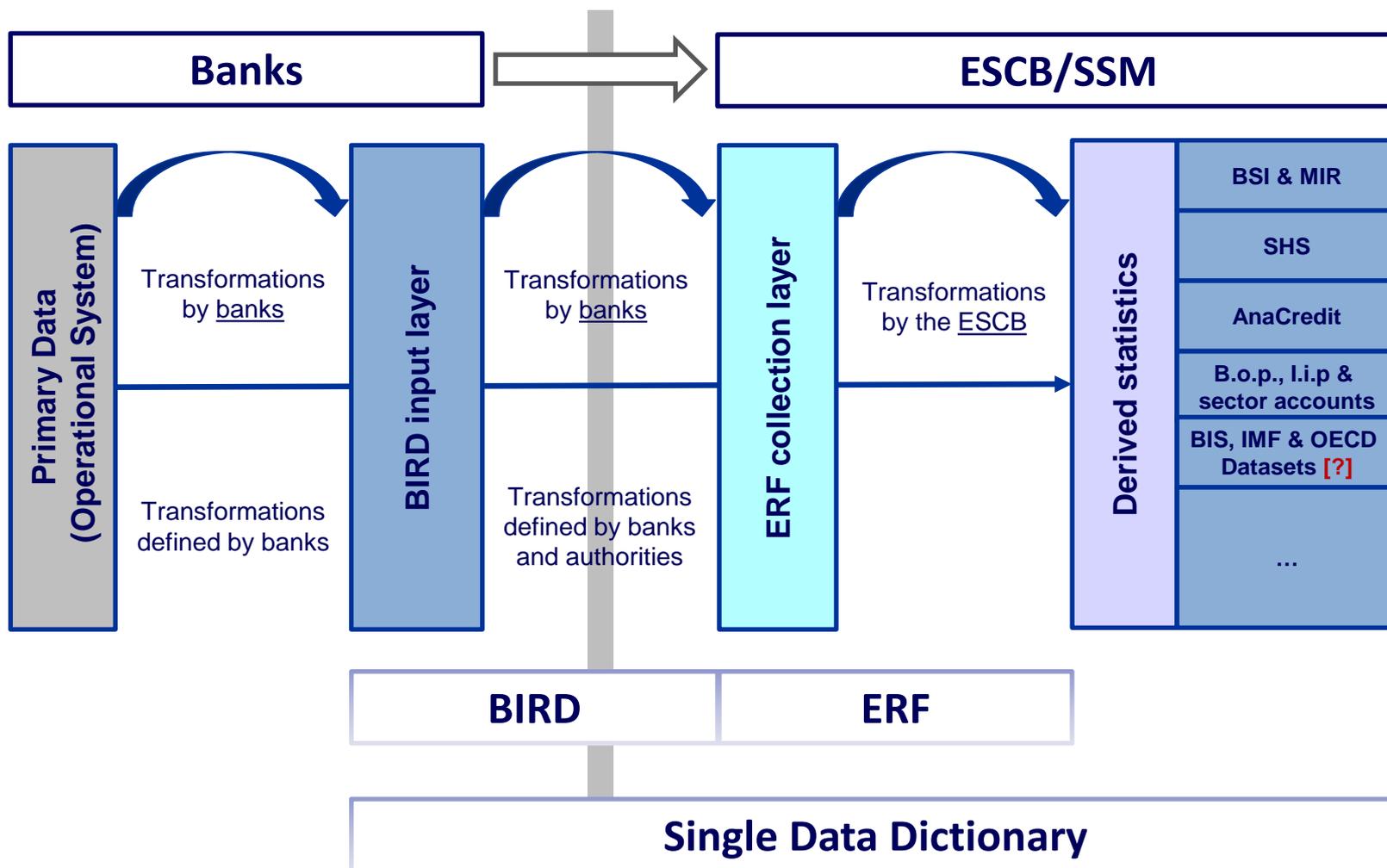
of practices, methodologies and processes followed for data production (longer-term objective)

- **Goal:** *extract the most out of existing data* (high value for analysis) and *minimise reporting burden*

1. Envisaged approach to reporting from banks (2/3)

- ESCB long-term strategic approach to data collection from banks:
 - Standardise and integrate existing frameworks for banks' reporting across *domains* and across *countries* with a focus on ***ECB statistical requirements***
 - Two pillars:
 - *European Reporting Framework* (ERF), focusing on statistical requirements and within the boundaries of ECB legislation
 - *Banks' Integrated Reporting Dictionary* (BIRD)
 - Development of a new comprehensive data model, as background the ECB *Single Data Dictionary*

1. Envisaged approach to reporting from banks (3/3)



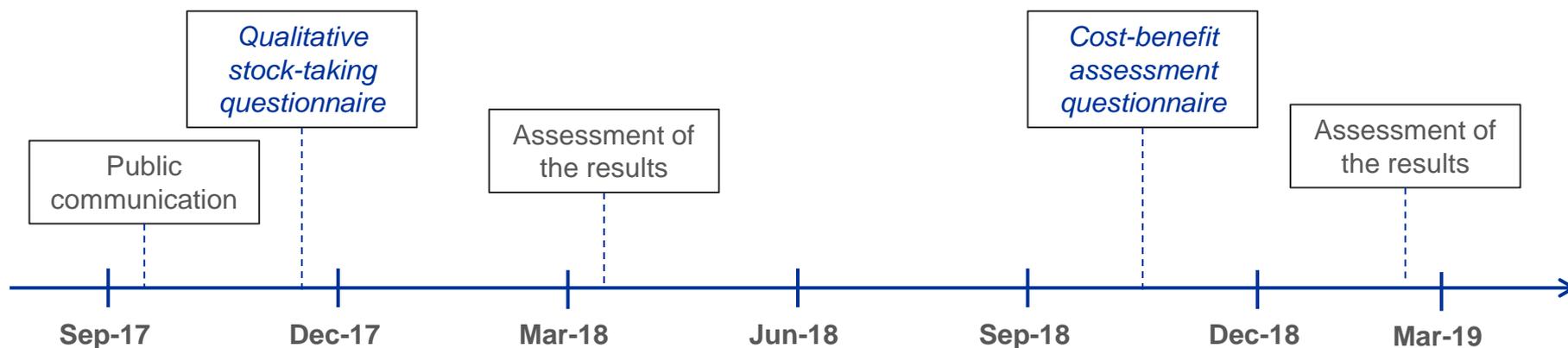
2. Main features of the ERF (for banks)

- The draft scheme
 - **Integrated set of reports**
 - Actual number and structure will depend on the outcome of the CBA
 - **Higher granularity** only if required for the multipurpose use of data
 - Combination of different granularity levels, plus anchor values
 - **Minimise reporting burden**, through
 - Less redundancy in reporting
 - More stability over time
 - **Proportionality** to be ensured via a suitable derogation scheme
- No single taxonomy or standard for reporting, left to NCBs to assess

2. The ERF Cost-Benefit Analysis

Aim: Assess the ERF impact and define its features and format

- The exercise goes beyond the *standard merits & costs procedure*:
 - Not assessing a new statistical regulation... *but*
 - Evaluating the *eagerness of stakeholders* to move towards an ERF
- In *close cooperation* with the **banking industry** (and ESCB users / producers)
- Various scenarios will be evaluated combining *reporting* and *production* aspects



2. Banks' Integrated Reporting Dictionary (BIRD)

State of play



Current activities:



- The BIRD is a set of definitions & transformation rules freely developed and applied by banks
- The BIRD group focused on **AnaCredit** and **SHS**
- The BIRD documentation is on a **public website** <http://banks-integrated-reporting-dictionary.eu>

Next Steps:



- Integration of FinRep reporting into BIRD
- Definition of a formal governance of the BIRD
- Workshop with different stakeholders
- software house, consultants -

3. Quid for supervisory reporting? (1/4)

**XBRL: standardised, harmonised,
widely-adopted reporting format**

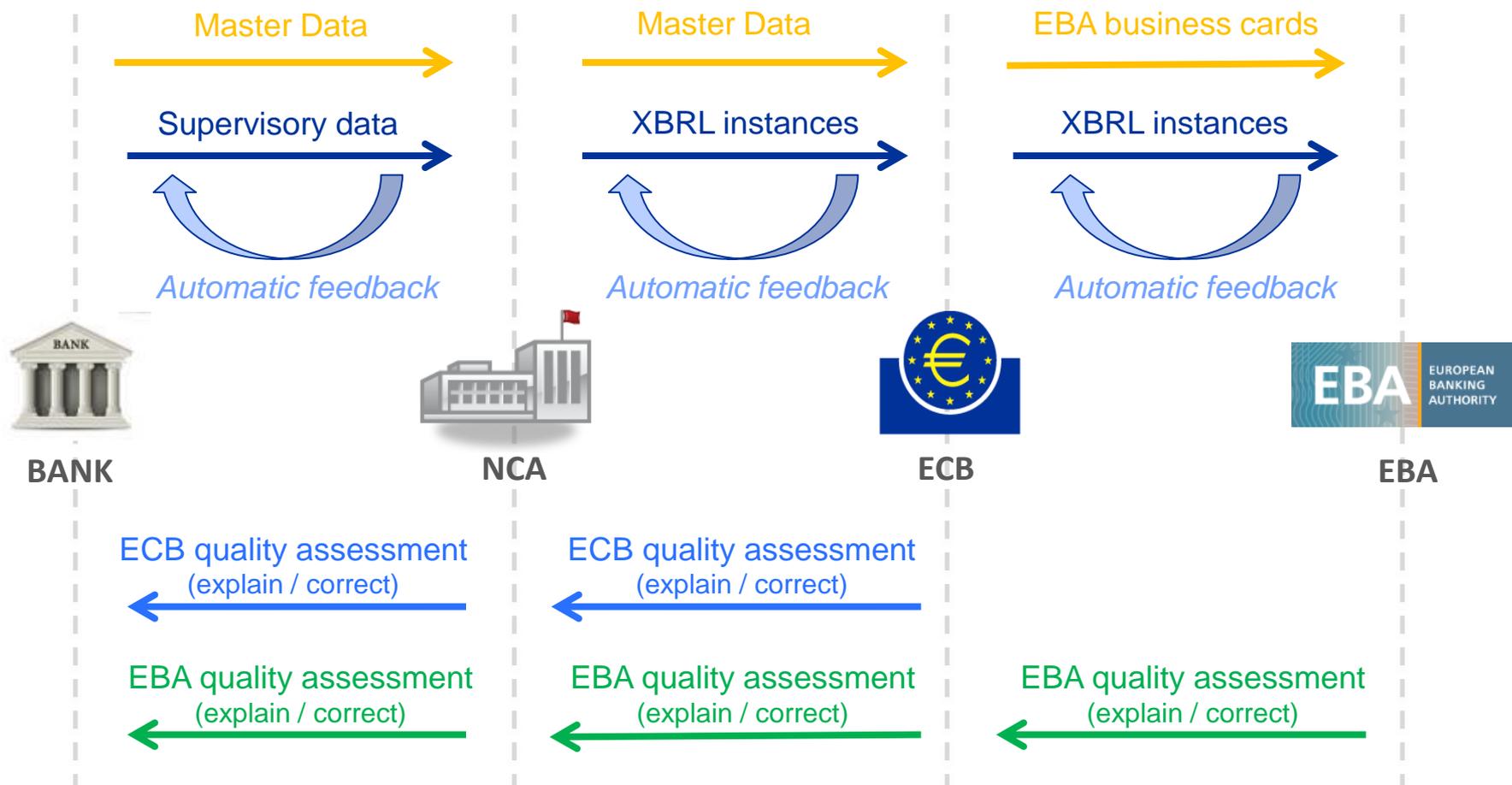
SUBA and XBRL

XBRL was chosen for the data submission to the ECB:

- Harmonisation across SSM countries (*currently euro area*)
- Full description of data points
- Table layout included in the taxonomy
- Incorporates a set of validation rules...
- ... Allowing reporters to validate the reports before sending

3. Quid for supervisory reporting? (2/4)

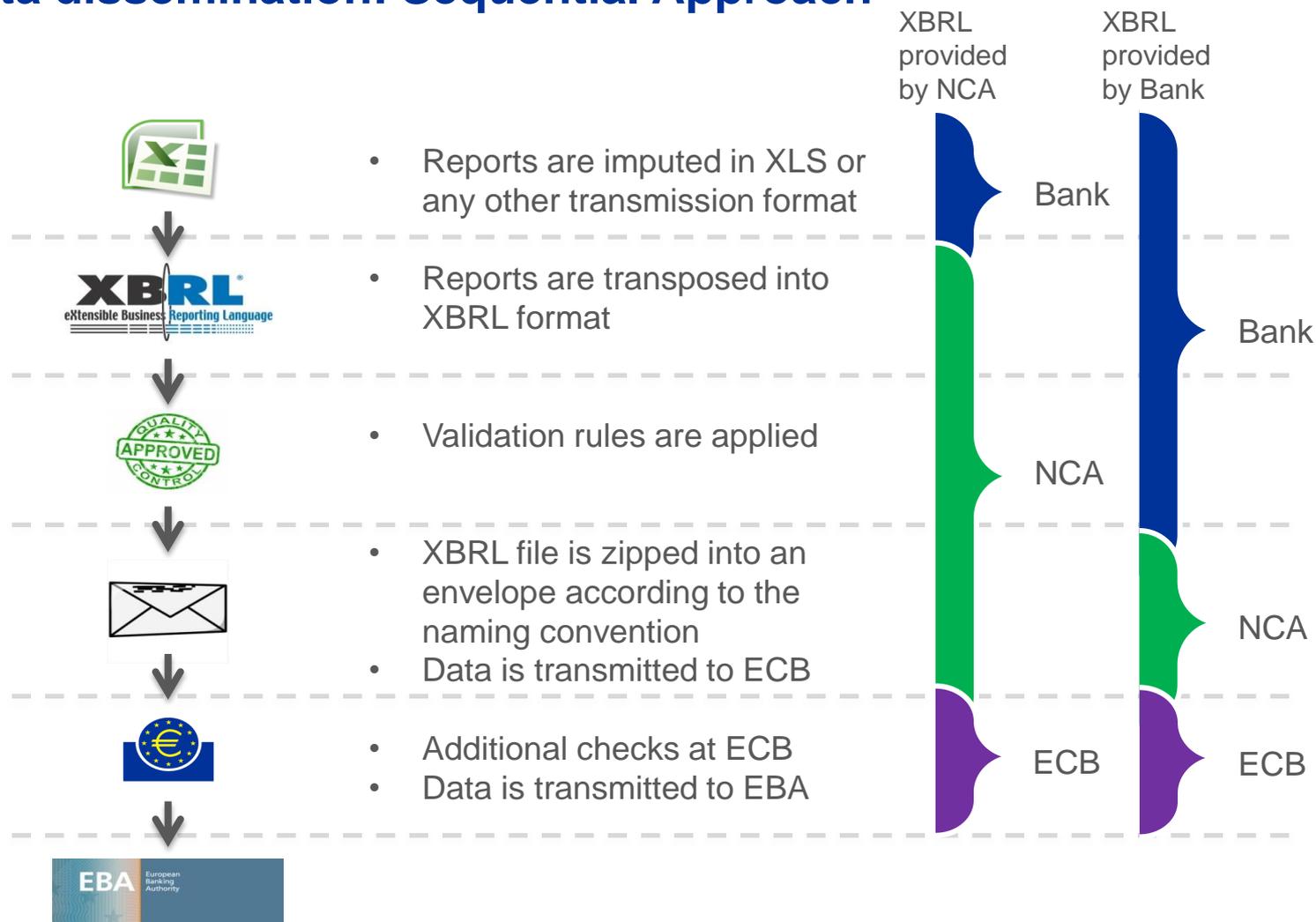
Full implementation of the Sequential Approach - Overview



! Sequential Approach applies also to Data Quality improvements

3. Quid for supervisory reporting? (3/4)

Data dissemination: Sequential Approach



3. Quid for supervisory reporting? (4/4)

Food for thought...

- *Integration* of data, along with statistical initiatives: **BIRD** and **ERF**
- Need for *transparency*: ECB and EBA initiatives
- *Data quality* (under BCBS 239): an important challenge for banks!
Especially re: the *management of “master data”*
- *Publication* of banking statistics
<https://www.bankingsupervision.europa.eu/banking/statistics/html/index.en.html>

*As interlinkage between the different sets of reports is increasing, **Integrating Data is key**, creating value for banks and helping in consistency and overall data quality for supervisors*

