Money Market Statistical Reporting

MMC Presentation
Holger Neuhaus
Paris, 17 June 2015
## Status

### On track!

<table>
<thead>
<tr>
<th>Step</th>
<th>Date</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Adoption of Money Market Statistical Reporting (MMSR) Regulation and publication on the Official Journal</strong></td>
<td>26 Nov. 2014/1 January 2015</td>
<td>Governing Council approval and published in Official Journal</td>
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<td></td>
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<td>Regulation formally entered into force</td>
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<tr>
<td><strong>Interaction with banking industry on the Reporting Instructions</strong></td>
<td>December 2014 – March 2015</td>
<td>Draft reporting instructions shared with banking industry and SWIFT as standard setter. Several meetings took place to get feedback on (i) how to increase clarity of Reporting Instructions; (ii) feasibility of different provisions; (iii) possible alternatives to achieve same purposes at lower cost; (iv) use market standards.</td>
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<td><strong>Notification of initial 53 reporting agents and freezing of Reporting Instructions</strong></td>
<td>End of March 2015/ April 2015</td>
<td>Reporting Instructions to be frozen and distributed to reporting agents selected by the Governing Council on basis of end of 2014 balance sheet data</td>
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<td><strong>Further interaction with banking industry and Reporting Agents on reporting instructions and feedback loop</strong></td>
<td>April 2015 to July 2015</td>
<td>Getting “fatal flaw” comments and dummy data extractions from banks to finalise Reporting Instructions. Discuss feedback loop i.e. data to be returned to reporting agents</td>
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<td><strong>Development phase</strong></td>
<td>April 2015 to March 2016</td>
<td>During the development phase, Eurosystem will stand ready to answer pertinent queries and questions. A list of frequently asked questions and answers will be made available</td>
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### Status in March

### Status in June
**Status**

**Report Instructions and regulation update**

- The Reporting Instructions have been amended and are now being finalised:
  - Incorporate now the reporting rules for deposits from Non-Financial Corporates, taking into account industry and MMCG feedback
  - In July transmission of final reporting instructions and validation rules to reporting agents
- The Regulation will be amended:
  - Small technical changes and clarifications
  - Synchronisation of the Regulation with the fine-tuned Reporting Instructions
Mock up data test

High level comments

- A second mock-up test was conducted with 30 Reporting Agents
- Around 37,000 transactions per day can be expected:

<table>
<thead>
<tr>
<th>Market segment</th>
<th>Range of transactions per day</th>
<th>Total number of expected transactions per day</th>
</tr>
</thead>
<tbody>
<tr>
<td>Secured</td>
<td>0.25 - 1,750</td>
<td>~7,000</td>
</tr>
<tr>
<td>Unsecured</td>
<td>12 - 7,475</td>
<td>~13,500</td>
</tr>
<tr>
<td>FX swaps</td>
<td>1.5 - 9,491</td>
<td>~15,000</td>
</tr>
<tr>
<td>OIS</td>
<td>0.2 - 900</td>
<td>~1,500</td>
</tr>
<tr>
<td>Total</td>
<td>0.2 - 7,475</td>
<td>~37,000</td>
</tr>
</tbody>
</table>

- Overall results were satisfactory:
  - Useful feedback and questions from Reporting Agents: how to report open basis repos for example
  - Reply to issues: feedback will be provided to individual questions
  - Improvement of Reporting Instructions: examples will be added
The following points are critical:

- In next mock-up exercise, message structure will be tested;
- MMSR reporting instructions to be followed strictly: for example on secured trades almost 90 automatic quality checks are performed!
- Quality checks mainly are yes/no rules: failure to pass one of these checks means rejection and correction from Reporting Agent

=> Reporting Agents’ participation to these tests is crucial
Timeline of events

Upcoming steps

• *June-July 2015*: transmission of final reporting instructions and validation rules to reporting agents

• *October-November 2015*: likely another mock-up test following XML schemas and validation rules

• *End of 2015*: Regulation re-cast publication in the OJ

• *Beginning of 2016*: test with Reporting Agents based on real data of the submission of files to their respective NCB or to the ECB

• *April 2016*: go-live

• *July 2016*: full production