The Eurosystem Integrated Reporting Framework – an overview

1 Background

European Union (EU) banks face a whole range of data reporting obligations, including for statistical, resolution and prudential information.

At the EU level, these are specified in various legal frameworks, including ECB statistical regulations on balance sheet items (BSI)\(^1\) and interest rates of monetary financial institutions (MIR),\(^2\) the sectoral module of Securities Holdings Statistics (SHS-S),\(^3\) granular credit and credit risk data (AnaCredit)\(^4\) and the implementing technical standards of the European Banking Authority (EBA) on supervisory data and the reporting of resolution information to the Single Resolution Board (SRB).

Existing ECB statistical regulations specify the information that must be reported, but not how the actual reporting process is to be carried out. They do not stipulate how the data should be organised (the data model), the definitions to be used for collecting the data (the data dictionary) or the deadlines for reporting agents. In addition, national central banks (NCBs) are generally allowed to collect the statistical information needed to fulfil the ECB’s statistical requirements under their own statistical (and/or supervisory and resolution) reporting frameworks.\(^5\) The national systems also cover NCBs’ obligations to report to the ECB where the relevant statistics are not covered by an ECB regulation (e.g. under ECB statistical guidelines on monetary and financial statistics,\(^6\) external statistics\(^7\) or financial accounts\(^8\)). NCBs meet reporting requirements of other international organisations too, such as the Bank for International Settlements (BIS) and the International Monetary Fund (IMF), as well as data needs arising at the national level. So far, only a few euro area countries have implemented widely integrated national collection frameworks. In most cases, the national frameworks consist of many separate reports to be

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3 Regulation (EU) No 1011/2012 of the ECB of 17 October 2012 concerning statistics on holdings of securities (ECB/2012/24), OJ L 305, 1.11.2012, p. 6. The group module of SHS is not included in the current iReF scope, although it is likely to be considered for inclusion in a second step.
4 Regulation (EU) No 867/2016 of the ECB of 18 May 2016 on the collection of granular credit and credit risk data (ECB/2016/13), OJ L 144, 1.6.2016, p. 44.
submitted by reporting agents to NCBs. Figure 1 below depicts the current approach to statistical data collection from banks.

This arrangement dates back to when the ECB was set up in 1998 and was justified at the time, as it meant that statistical reporting could be founded on well-established national reporting frameworks. However, the single monetary policy allows for more efficient reporting. For instance, banks could save costs if they did not have to maintain heterogeneous national systems that feature:

- different national data models and heterogeneous dictionaries (which are particularly challenging for cross-border banks);
- different transmission frequencies, timelines and levels of aggregation;
- possible duplications and overlaps in reporting, with complex schedules and processes;
- differences in data quality rules (such as validation checks), revision policies, approaches to derogations and data exchange formats.

**Figure 1**
Current Eurosystem approach to collecting statistical information from banks

The main objective of the Integrated Reporting Framework (IReF) is to reduce the reporting burden on euro area banks in line with Article 338(2) of the Treaty\(^9\) and

Article 3(a) of Council Regulation (EC) No 2533/98, while meeting the information needs of the European System of Central Banks (ESCB). This will be achieved by integrating different statistical obligations and harmonising data collection across countries, such that statistical reporting will be significantly less dependent on the country in which a bank is resident. The ECB envisages issuing an IReF Regulation on statistical data requirements which would be directly applicable to banks resident in the euro area. Non-euro area EU Member States may decide to adopt the IReF reporting through national legislation in full or in part (e.g. for content related to AnaCredit). The IReF could strengthen the banking and monetary union: cross-country standardisation of reporting may remove some of the obstacles that can prevent smaller banks from engaging in cross-border operations, which in turn would foster competition in the EU financial sector. The gains in cost efficiency would be achieved by economies of scale and systematic application of the “define once, report once, regulate once, perform as one system” principle. For instance, the costs of developing the common data dictionary would be a one-off investment for all ESCB countries. Under the new paradigm, cross-border banks could unify the technical specifications of their reporting for all their European entities. Leaner data flow management processes than those shown in Figure 1 could also be designed. Moreover, once the initial investment phase is over, the granular reporting of data will increase the agility and speed with which policymakers can react to new developments, since they will be able to have access to data fit for new purposes and which can be more easily re-arranged from the granular data already held.

This overview provides key facts and procedural information on the IReF and how it fits in with the broader EU data integration initiative, which also encompasses resolution data and prudential data.

2 The scope of the IReF

The IReF seeks to integrate existing ESCB statistical data requirements for banks as far as possible into a single, standardised reporting framework applicable across the euro area.

In the initial phase, the IReF is focusing primarily on ECB statistical datasets relating to banks and will hence cover the requirements of the ECB regulations on BSI and MIR statistics, SHS-S and AnaCredit. In respect of SHS-S, the IReF will also cover requirements for banks in their role as custodians. Other ECB statistics that do not directly relate to bank balance sheet assets and liabilities, such as ECB payments or money market statistics, are not currently covered.

The intention is also to integrate reporting obligations on banks’ own positions and transactions arising in the context of statistics on balance of payments (b.o.p.), international investment positions (i.i.p.), financial accounts and securities issued. Consideration is being given to integrating other requirements arising from the collection frameworks of international organisations, such as BIS locational banking

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statistics and IMF standardised report forms. The feasibility of aligning the IReF more closely with the Financial Reporting (FINREP) requirements applicable at solo level\textsuperscript{11} is also being assessed.

The granularity of the IReF scheme is expected to cover a large share of the statistics currently collected by NCBs that are outside the scope of ECB regulations. NCBs are also assessing the relevance of existing country-specific requirements (CSRs). However, the business need for CSRs will continue to be relevant, for instance in connection with national legal obligations, such as activities related to anti-money laundering, government support or national credit registers. The Eurosystem has engaged in a detailed assessment of CSRs that would not be absorbed under the baseline scenario for the IReF and could not be discontinued by NCBs, with the aim of identifying which of these are common to several NCBs and might therefore be suitable for inclusion in the IReF Regulation. CSRs for which there is a business need but are not captured by the IReF Regulation will continue to be collected at a national level. At the same time, an extended technical layer will be developed, possibly consisting of a data model or a common dictionary, to describe requirements arising from the IReF Regulation and the CSRs that will continue to apply once the IReF enters into force. In this way, overlapping requirements across two or more countries will be described in a uniform way consistent with the IReF requirements.

3 The IReF target population

The IReF is primarily intended to cover credit institutions and deposit-taking corporations other than credit institutions. Given the different reporting populations of the datasets within its scope, the IReF specifies separate requirements for these two categories. For example, instrument-level requirements on loans to legal entities will apply to credit institutions, whereas deposit-taking corporations other than credit entities will continue to report loan data on an aggregated basis.

Requirements addressed to money market funds (MMFs) are not part of the IReF and will continue to be set out in separate ECB legal acts, leaving discretion at the national level on how best to collect this information in practice. Some NCBs have developed an integrated reporting framework for investment funds (covering both MMFs and non-MMFs). This approach may be adopted at Eurosystem level in the medium term.

4 Advantages of the IReF

The advantages of the IReF for the various stakeholders mentioned in Section 1 are explained in more detail below.

\textsuperscript{11} Supervisory financial information collected at the level of the legal entity as laid down by Regulation (EU) 2015/534 of the European Central Bank of 17 March 2015 on reporting of supervisory financial information (ECB/2015/13).
**Reporting agents** are expected to benefit substantially from the IReF. Reporting requirements will be presented on the basis of a logical data model and data collection will rely on a standardised implementation model. A common data dictionary will apply, thus ensuring a standard set of definitions. Reporting frequency and timelines, and granularity of requirements, will also be standardised. The framework will specify a common set of data quality rules (most notably validation) and a revision policy directly applicable to all agents. Cross-country standardisation may be of particular benefit to banking groups that operate across borders within the euro area. However, all banks, even smaller institutions, stand to gain from the integration of different statistical reporting requirements, especially as these become more stable over time. The reporting burden on small institutions could also be mitigated by suitable Eurosystem-wide derogations (see next section). Ad hoc requests to fill information gaps are likely to become less frequent, and the higher level of standardisation will be conducive to standard IT solutions. Initial gains will differ from country to country, depending on the reporting model and the degree of integration of current national frameworks. The need for banks to procure external data services is also expected to decrease as requirements are harmonised. While there are one-off investments to be made at the implementation stage, regular costs may be reduced, not least because standardisation of requirements and additional granularity (e.g. on loans to legal entities) and level of detail (e.g. on deposits) under the IReF scheme may meet new user needs without changing data collection methods, thus minimising maintenance costs. Over the medium/long run, banks will reap additional benefits from the integration of statistical, prudential and resolution requirements.

These aspects are being assessed in more depth through the cost-benefit analysis being conducted in a transparent and cooperative way with all the IReF stakeholders, including banks (see also Section 6 below).

**Statisticians at central banks** will also benefit, as they will receive only one set of statistical information to produce the datasets covered by the IReF. Using a standardised data model to represent requirements will ensure methodological soundness and compliance with statistical standards. Data quality assessment procedures and revision policies can also be standardised. Integrated data collection may also create new opportunities to further automate statistics production and dissemination systems.

**Users of statistical information**, including banks themselves potentially, also stand to benefit from the IReF, as it aims to ensure a precise and unambiguous definition of the statistical information relevant for their needs throughout the Eurosystem. This will improve the accuracy and comparability of data across datasets and across countries. The quality and analytical value of the data received will increase, as users will have a fully consistent and standardised dataset, rather than data provided under different frameworks that then need to be reconciled (e.g. between BSI and SHS-S). In addition, users will be able to drill down from aggregated data to the underlying granular information (subject to the relevant data access). As the IReF is expected to use granular data on loans and securities to compile statistics, further breakdowns will become available for policymakers, banks, academia and the public.
at large (while always respecting confidentiality requirements). These breakdowns will allow policymakers to analyse changes in economic and financial trends more quickly, thanks to the wealth of statistical information available to them.

5 Ensuring proportionality under the IReF

Each ECB statistical collection framework includes derogations and sampling schemes aimed at ensuring representativeness and proportionality. The approaches are not usually harmonised across datasets. They range from cases where reporting agents may be partially exempted from the obligation to report data as they are small with respect to certain criteria (e.g. BSI, SHS-S, AnaCredit), to cases where derogations relate to a subset of the requirements specified in a dataset (e.g. BSI). In other cases, the collection framework may be based on a sampling approach (e.g. MIR). At present, countries have discretion as to how they apply these general derogation schemes at the national level, resulting in a wide range of schemes, including cases where no derogations at all are applied.

The Eurosystem recognises the need to ensure proportionality under the IReF and favours simple solutions across the euro area, such as derogations for small institutions, which would be subject to simplified reporting. Various options for structuring this simplified reporting are now being assessed in the course of the ongoing cost-benefit analysis.

6 Ongoing work and next steps

The IReF is an ambitious endeavour that seeks to redefine the collection of statistical data from banks in terms of both content and processes. These and other aspects are being assessed in close cooperation with banks and other stakeholders by means of an ongoing cost-benefit analysis. When defining the methodology to be followed in the cost-benefit analysis, the Eurosystem has decided to adapt the merits and costs procedure to accurately reflect the cost reduction benefits for reporting agents and authorities. This procedure is typically used to evaluate the significance of the costs of new statistical requirements, whereas the IReF primarily aims to reduce costs by streamlining and standardising existing statistical data reporting in line with basic data management principles promoted by banks. The procedure is fully aligned with the principles of increased transparency in ECB regulations on European statistics adopted by the Governing Council in October 2016.

The first step was taken in 2018 and consisted of a qualitative stock-taking questionnaire on the state of play across datasets and countries to help design scenarios for the collection aspects of a possible integrated framework (reporting dates, data frequency, derogations, etc.). In 2019 the Eurosystem focused on assessing the results of this questionnaire and worked to define a more limited set of scenarios to be considered in future.12 The second step was a questionnaire

12 See “Qualitative stock-taking questionnaire on the integrated reporting framework – Analysis of high-level considerations and high-priority technical aspects”, ECB, February 2019.
exploring the costs and benefits of the scenarios identified for various aspects of the collection framework. This cost-benefit assessment (CBA) covered specific data requirements and modelling options, reporting timelines, revision policy, approach to derogations, aspects related to technical and operational implementation, and integration of country-specific requirements, among other matters.

The Eurosystem reviewed the results of the CBA to identify optimal features for banks, the Eurosystem and its users. The assessment focused on feedback received from stakeholders on the drivers of costs and benefits, the overall question of whether the benefits of implementing the IReF would outweigh the costs, and certain high-priority technical aspects in order to facilitate a discussion on the utility of establishing the IReF.

A first report on the feedback received on these aspects was published in December 2021. This showed strong support for the IReF within the banking industry and among other relevant stakeholders, all of whom believed that the benefits of implementing the framework outweighed the costs. In the banking industry, support was highest among members of cross-border groups. For standalone institutions too, the proportion of respondents indicating that the benefits would outweigh the costs was much higher than those indicating the opposite. When the results are broken down by size of respondent, the level of support is, as expected, lower among small institutions than large and medium-sized ones; nevertheless, over 60% of small institutions still indicated that the benefits would outweigh the costs.

Since then, and in close cooperation with the banking industry, the Eurosystem has continued to analyse the answers received on the other aspects. The results were published in September 2022: a report on content-related topics and technical aspects covering a range of issues from loan write-offs to the preferred structure for representing and collecting the IReF requirements; a report on the technical integration of CSRs; and a report on reporting schedules, revision policy, the approach to derogations and implementation aspects.

As a follow-up, the Eurosystem initiated a third step in 2023; a complementary cost-benefit assessment (CBA) with stakeholders to address additional topics of relevance, such as the merits of integrating common CSRs into the IReF Regulation, increasing the IReF analytical value (e.g. on data relevant for the development of climate indicators), improving operational aspects and ensuring closer alignment of the IReF with FINREP solo. A first report on the complementary CBA results was published in February 2024. It assesses the extent to which CSRs could be usefully included in the IReF Regulation. Two additional reports published in April 2024 – one focusing on improving the IReF analytical value and operational aspects and the other on closer alignment between the IReF and FINREP solo – present the results of the analysis of the remaining complementary CBA topics.

As a final step, the Eurosystem will perform a comprehensive comparison of costs and benefits based on the feedback received from stakeholders; this comparison will then form the basis for drafting a Regulation on the IReF. In line with the ECB merits and costs procedure, the results of the comparison will be published to inform the
public consultation on the draft IReF Regulation, currently scheduled for 2024. The legal act will then be adopted by the Governing Council.

The IReF Regulation will replace the existing regulations on BSI, MIR, SHS and AnaCredit with respect to the requirements for deposit-taking corporations. The MIR and AnaCredit regulations would be repealed, and the BSI and SHS regulations recast or amended to exclude deposit-taking corporations from the reporting populations.  

7 Implementation of the IReF

Subject to adoption of the IReF Regulation by the Governing Council, currently scheduled for 2025, the IReF is expected to go live in 2027. In parallel, the Eurosystem is designing the organisation of Eurosystem statistical business processes as a preliminary step to investigating and implementing the IT solutions that will support data collection under the IReF.

This time frame will give reporting agents and the Eurosystem enough lead time to prepare the legal and technical framework without unduly delaying the expected reduction in the reporting burden. The Eurosystem has recently engaged in a comprehensive investigation phase for the IReF and its technical implications and will regularly update the IReF implementation plan as part of this process and to reflect how broader collaborative efforts with other European authorities to integrate statistical, resolution and prudential requirements are developing (see also Section 8). As part of this process, the IReF timeline may be amended to reflect the outcome of the investigation phase.

8 The IReF as part of the broader data integration initiative

The IReF is part of a broader data initiative for an integrated reporting system for statistical, prudential and resolution data in the EU, as requested by the European banking industry14 and as envisaged by the European Parliament and the Council in Article 430c of Regulation (EU) 2019/876.15 In line with the mandate received, the EBA carried out a feasibility study on an integrated reporting system and published the final report in December 2021.16

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13 For instance, the BSI Regulation will continue to apply to MMFs.
16 See "On a Feasibility Study of an Integrated Reporting System under Article 430c CRR", EBA, 2021; and "The EBA’s feasibility study on integrated reporting system provides a long-term vision for increasing efficiencies and reducing reporting costs", EBA, December 2021.
The ESCB published its views on this broader initiative in a report which served as input for the EBA’s feasibility study. The ESCB sees the IReF as a first step towards a fully integrated reporting system for banks in the EU, which should be based on a common data dictionary that has a common underlying meta model.

The Joint Bank Reporting Committee (JBRC) – an advisory body comprising representatives from relevant European and national authorities and involving the banking industry in certain tasks – will be set up to advise on integrating statistical, resolution and prudential data reporting among banks. It could also advise on how best to lay the foundations for sharing data and ensuring interoperability among the relevant national and European authorities. The Committee should be up and running in the course of 2024.

The Eurosystem is already cooperating closely with the banking industry to optimise reporting and reduce the overall reporting burden via the Banks’ Integrated Reporting Dictionary (BIRD). BIRD offers a redundancy-free source (i.e. a logical data model/input layer) from which transformations describe how to create data to meet the actual reporting requirements of authorities. This feature makes it less burdensome for banks to determine which source data to use and how to process the data correctly, thus providing full data lineage. BIRD also features “mappings” to translate the different metadata and codifications used in various dictionaries into a single metadata language. If the authorities agree on a common data dictionary featuring semantic integration, this part of BIRD will no longer be necessary.

BIRD could either be adapted to the new common data dictionary or provided additionally, as is currently the case. For maximum benefit it would, of course, be preferable if the common data dictionary were developed and maintained in collaboration with BIRD. The possibility of a common input approach will be investigated, as also indicated by the EBA in its feasibility study.

Both the IReF and BIRD will provide crucial support for banks in their reporting tasks by logically and methodologically bridging the gap between authorities’ reporting requirements and banks’ operational systems. BIRD is expected to benefit significantly from the IReF as statistical reporting becomes standardised across countries. This will allow for the direct application of BIRD in the euro area for statistical requirements. As more reporting frameworks are incorporated into the IReF, BIRD will provide more effective support to banks and the overall integration of statistical, prudential and resolution requirements.

In 2021 BIRD was reshaped to enable both the metadata and the data model (i.e. the design/structure) to be aligned with the IReF so as to generate further benefits and synergies. This will, for example, enable the IReF to adapt more easily to

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17 See “The ESCB input into the EBA feasibility report under article 430c of the Capital Requirements Regulation (CRR 2)”, ECB, September 2020.

18 A common meta model (information model) refers to the standard and formalised layer that depicts the semantic information. This is described in “On a Feasibility Study of an Integrated Reporting System under Article 430c CRR”, EBA, March 2021, in the process chain and the three levels of abstraction in the syntactic layer of the data definition part.

19 Thus far BIRD has covered the reporting requirements for AnaCredit, SHS-G, FINREP, asset encumbrance and resolution planning as separate outputs. Other datasets, including those within the scope of the IReF, are currently being considered.
possible extensions (e.g. SHS-G) that are already included and modelled in BIRD, making it much more scalable.

Banks will remain fully responsible for organising their internal reporting systems and ensuring the accuracy of their reports to the authorities, including application of the transformation rules. BIRD provides more detailed, though not legally binding, interpretations. Most crucially, it does not change the reporting requirements.

The approach to data collection from banks aims to be cost-effective and transparent. The IReF describes statistical requirements in a redundancy-free layer and will represent future statistical reporting obligations issued by the ECB and applicable to Eurosystem banks. BIRD describes how information held at bank level should be transformed to comply with these obligations – not only ECB statistical regulations but also EU prudential and resolution requirements. The difference between BIRD and the IReF is that the latter will be mandatory, while the former will remain voluntary and will only exist at the level of reporting agents. From a logical perspective, BIRD and the IReF are very similar, as both integrate requirements in a redundancy-free way from which multiple outputs/products can be created. However, they vary in scope, as the IReF integrates only statistical requirements. Transformation rules to generate the IReF and other (i.e. prudential and resolution) reporting requirements from the BIRD input layer will be applied by banks, not authorities. However, under the IReF, the ESCB will apply transformations internally to a large degree to generate statistical products that have so far been directly reported by banks. The BIRD input layer may also be used by banks for their own internal purposes. BIRD could be effective in making reporting processes among banks more closely aligned with their operations and ultimately allow them to base their work and that of the Eurosystem on the same (or very similar) sets of data. Data quality should increase and costs decrease, as the BIRD input layer would provide a comprehensive and flexible tool to support data reporting.