



BIRD STEERING GROUP

BIRD STEERING GROUP MEETING

16 and 17 November 2021

ACTION POINTS

Item 1.1 Opening remarks

09:00 – 09:40

Hansjakob Schlaich of the European Central Bank (ECB) opened the session by welcoming the participants to the fifth annual meeting of the BIRD Steering Group (“Steering Group” hereafter).

Introductory statement by Dominique Durant

The new ECB Deputy Director General Statistics, Dominique Durant, focused in her opening remarks on i) how the BIRD relaunch supports the European endeavour to integrate statistical, prudential and resolution reporting, ii) the fact that the BIRD project, as a first priority, must continue to focus on and even intensify its work to integrate the three reporting areas, and iii) the ECB’s strong commitment to the BIRD project and the European integration of reporting requirements in close collaboration with the banking industry and other authorities in general.

Ms Durant highlighted the fact that the BIRD project has developed the necessary features and capabilities to support integrated reporting, such as a semantically integrated dictionary. Moreover, the BIRD project has a governance framework and well-established model for collaboration between authorities and the industry on bank reporting.

In addition, she emphasised that any BIRD-related activities need to foster integration. The common semantic dictionary developed under the BIRD project can serve as a basis for designing new reporting requirements while avoiding redundancies. The BIRD project needs to react flexibly to the needs of all stakeholders, creating incentives for these stakeholders (e.g. subject matter experts from various authorities that validate BIRD interpretations) to contribute.

Ms Durant stated that the ECB remains fully committed to the BIRD. For example, the development of the European System of Central Banks (ESCB) Integrated Reporting Framework (IReF) or which the results of the cost-benefit assessment show strong support from all stakeholders – should facilitate a true “report once” and “define once” process for statistical data.

The Steering Group Co-Chairs Marc Ziegler (DZ Bank) and Massimo Casa (Banca d’Italia) welcomed the following new members:

BNY Mellon (Bank of New York Mellon): Raphael Bovy is the new representative.

Cecabank: Juan Carlos Valero is the new representative.

MPS (Banca Monte dei Paschi di Siena): Susanna Chaussadis is the new representative.

Nordea: Zach Dhruve is the new representative.

In their introduction the Co-Chairs emphasised the main objective of the meeting: reaching agreement on the BIRD relaunch. The goal of the relaunch is to make the BIRD fit for the future by creating a sustainable product that can also support any future European endeavour to integrate reporting.

Francisco Saravia of the European Banking Federation (EBF) confirmed the focus of the relaunch on behalf of the industry and thanked the ECB BIRD team and all Steering Group participants very much for their tremendous work over the last year.

Item 1.2 The “BIRD relaunch”

09:40 – 10:00

Hansjakob Schlaich (ECB) provided an overall picture of the BIRD relaunch (e.g. the road to the relaunch, lessons learnt and the overall proposal for the relaunch), the BIRD in relation to European integration of reporting and the running order of the meeting.

Mr Schlaich stressed three main aspects of the relaunch:

- the separation of concerns (i.e. the split of the integration of reporting requirements into the logical and the technical level);
- making the BIRD a viable product by strictly focusing on the elements that bring the most value to both the industry and the authorities;
- the close collaboration and extensive discussion on the new BIRD with all stakeholders.

Mr Schlaich pointed out that, notwithstanding the work on the relaunch, progress had been made in recent months on developing a first draft of the Logical Data Model (LDM) and updated Input Layer (IL), which was published on 12 November 2021.

The BIRD relaunch should support the European endeavour to integrate statistical, prudential and resolution reporting in multiple ways:

- i) by integrating reporting requirements to alleviate the reporting burden for banks;
- ii) by aligning the BIRD with the ESCB IReF;
- iii) by providing a well-established collaboration model, as well as the necessary governance framework, for a dialogue on bank reporting between authorities and the industry;
- iv) by ensuring flexibility to react to the needs of all stakeholders, thus creating incentives for the industry and authorities alike to contribute.

Mr Schlaich reiterated that, at the meeting, the Steering Group needed to agree on the overall relaunch of the BIRD project, marking the end of the transition phase.

Item 1.3 The new BIRD process and components

10:00 – 11:00

Florian Schuster (ECB) provided an overview of the new BIRD process, highlighting the individual components from the input to the output. The BIRD/IReF alignment and the draft proposal for the design of logical/semantic transformations were also presented.

The new process and its components build on the separation of concerns, clear design principles and the aim to have products that are user-friendly for business users. In order to facilitate these requirements, special emphasis was given to the new and updated components of the BIRD process, namely:

- the LDM and Enriched LDM (ELDM);
- the forward engineering (FE) method and procedure;

- the updated IL and Enriched IL (EIL) forward engineered from the LDM/ELDM;
- the logical/semantic transformations.

The new process and its components should ensure that the BIRD can sustainably serve its main purpose of integrating reporting requirements for statistical, prudential and resolution purposes.

The IReF will enable a true “report once, define once” process for statistical reporting. The BIRD/IReF alignment is based on the same redundancy-free modelling, which will ensure that transformation between the BIRD and the IReF collection layer is largely one-to-one and easy. In addition, the alignment of IReF and the BIRD will make it easier to extend the IReF to cover additional reporting requirements in the future, be it SHS-Group reporting or resolution and prudential reporting in general.

The Steering Group took note of the new BIRD process and agreed on the proposed way forward, namely to:

- set up a dedicated subgroup to review the LDM/IL (and preliminary IReF inclusion);
- set up a subgroup for the design of logical/semantic transformation rules.

Coffee break – 10 min

Item 1.4 BIRD collaboration: roles & responsibilities of BIRD groups

11:10 – 12:30

Daniela Arru (ECB) presented the Steering Group with proposals for updating and enhancing the governance and organisational framework of the BIRD. The BIRD project has increased in sophistication (e.g. LDM, IReF, many experts) and therefore a suitable operating and steering “machine” should be made available for the BIRD relaunch. In concrete terms it was proposed to improve collaboration between and within the authorities and the banking industry, to enhance the oversight role of the Expert Group (e.g. on technical matters), to reinforce the critical roles of coordinators and Co-Chairs, and to formally update some BIRD structures and substructures (e.g. BIRD work streams). Updates will be reflected in the BIRD Project Charter on the BIRD webpage.

The discussion focused on the responsibilities, accountability and credibility of participants in the BIRD project as regards the project and its deliverables. The BIRD Expert Group should fulfil the role of validating and acknowledging the outcome of subgroups and work streams. In this context some members asked who will “sign off” the products developed, in particular when authorities use elements developed by the BIRD project. Since the use of the BIRD is voluntary, participants agree, with the best intentions, on the BIRD content that is developed and published; participating banks are not legally bound to use the BIRD for fulfilling their reporting obligations. It was recalled that the BIRD is not an IT tool and that technical implementations of reporting solutions are up to the market. The possibility of BIRD participants signing off BIRD content was nevertheless discussed; however, this needs to be followed up with further evaluation and discussions after the meeting.

In addition, some members agreed with the proposal of having a standing subgroup on the maintenance of the BIRD to make sure that expertise is available in the event of questions (e.g. following a Q&A) or updates to specific frameworks. It was pointed out that the composition and modalities of such a subgroup would have to be carefully assessed, in order to have a pool of experts who could cover business aspects and who ideally were directly involved during the analysis and development of new BIRD content. This point was well received, and concrete proposals to ensure maintenance by experts, also from the perspective of the credibility of the BIRD, will follow shortly (e.g. a small network of people for specific frameworks).

The Steering Group took note of the presentation. It acknowledged the need to update and enhance the governance and organisational framework of the BIRD project.

- The proposals will be submitted via written procedure for further comments.
- The possibility of BIRD content being signed off and the responsibility thereof need to be further discussed.

Coffee break – 10 min

Item 1.5 BIRD collaboration: infrastructure and processes

12:40 – 13:10

Florian Schuster (ECB) made a proposal for the use of tools to enable good virtual collaboration in the future and to better present the BIRD content. The BIRD project lacks infrastructure and tools that facilitate collaboration and information sharing among subject-matter experts and users. This is particularly necessary in the current context, with the preferred mode of collaboration shifting from relatively lengthy physical meetings to short, and more frequent, online meetings.

The intention is henceforth to use GitHub as one of the major tools of collaboration (e.g. for the work on logical/semantic transformations). As for presenting the BIRD content in a more user-friendly way, investigations are ongoing from the ECB side as to whether an internal ESCB internal tool (i.e. the Single Data Dictionary) could be made available to the public. In any case, the BIRD webpages will continue to be updated to this end, including with visualisations of the BIRD layers (i.e. LDM/ELDM and IL/EIL) via HTML reports.

The Steering Group:

- confirmed the strong need for good virtual collaboration;
- very much welcomed the ongoing efforts to present the BIRD content in a more user-friendly way.

End of day 1

Item 2.1 Introduction to day 2

09:00 – 09:20

Hansjakob Schlaich (ECB) provided a brief overview of the good discussion of the previous day and the results achieved:

- The BIRD relaunch and the first elements proposed under the relaunch (i.e. the new BIRD process and its components, and the BIRD collaboration) were overall well received by the Steering Group.
- There was a good and thorough discussion regarding the maintenance and credibility of the BIRD. The discussion clearly demonstrated the Steering Group's engagement and sense of responsibility towards the BIRD project and its deliverables.

Item 2.2 IReF: status update and new IReF CBA subgroup

09:20 – 09:50

Davide Nicola Continanza and Giulia Oddone (ECB) updated the Steering Group about the analysis of the results of the cost-benefit assessment (CBA) on the ESCB IReF. The IReF should result in one regulation towards redundancy-free reporting for statistical requirements in the euro area.

The assessment of the CBA, which collected views from all relevant stakeholders (e.g. the banking industry, national central banks as reporting agents and compilers of statistics, and the ESCB user group), is ongoing and final results are expected in the course of 2022. To support the analysis, the IReF CBA subgroup was created. The subgroup is intended to:

- i) support the IReF project by creating a direct communication channel with the banking industry;

- ii) discuss specific challenges that were raised in the CBA in relation to the scenarios that were presented;
- iii) assist in the future matching of the costs and benefits of technical features of the IReF when these features are defined.

The first meeting of the subgroup took place on 6 October 2021 and focused on some high-priority content-related topics, for example loans of below €25,000 to legal entities, holdings of non-ISIN securities and data collection from branches of euro area credit institutions.

In addition to the existing IReF-related CBA subgroup, it was proposed to set up additional subgroups in 2022 (e.g. on a new LDM/IL review, the preliminary assessment of a potential IReF draft scheme and the inclusion of common country-specific requirements in the LDM), subject to the final decision of the ECB's Governing Council regarding the IReF.

The presentation led to some requests for clarification on timelines and the integration of national requirements in the IReF, as well as on the objectives, representation and process of the CBA subgroup. IReF, BIRD and NCB experts are currently working on a substantial analysis to assess, document and compare national requirements across countries. This assessment should result in further harmonisation of national requirements; however, further updates will follow at a later stage.

As regards the timelines, it was clarified that the ESCB plans to circulate a detailed communication of its medium-term strategy for implementing the IReF in December 2021.

Furthermore, it was clarified that the main objective of the subgroup is to seek advice and collect additional technical information regarding specific outcomes of the CBA. This could help inform the actions of the authorities, although they would not need to reflect the views of all CBA participants, nor would the CBA outcome oblige the ESCB to adhere to the advice. In turn, it should be noted that the EBF and the industry are represented fairly in the subgroup, and that topics are often also discussed with a broader group of stakeholders in anticipation of the meetings. This approach ensures the proper representation of the industry.

The Steering Group thanked the presenters for the status update and for the work done by the subgroup. It agreed with the proposal to set up other subgroups to support the development of the IReF.

- The existing subgroup will continue its work.
- Additional subgroups are planned to be set up in the course of 2022 and 2023.

Item 2.3 BIRD work plan 2022-23

09:50 – 10:50

Giulia Oddone and Ralf Okla (both ECB) presented a proposal for the 2022-23 BIRD work plan. The work plan is prepared by the ECB BIRD team based on feedback received at previous workshops and via a survey. The proposal considers the strong request for a viable plan, the new BIRD process, the envisaged structure of the BIRD project and interdependencies of activities.

To address these points, the project planning has changed to an agile approach to accommodate constant monitoring, adjustments and reporting on progress. The workplan also assumes commitment by all participants (e.g. sufficient resourcing), conservative estimates and parallel processes (i.e. to avoid inefficiencies).

As regards the content, details were presented of high-priority work streams and related activities, such as the BIRD content (e.g. LDM design principles), component design (e.g. the design proposal for logical/semantic transformation rules) and the IReF (e.g. the pilot integration of IReF requirements into the relaunched BIRD).

The BIRD work plan will also be circulated for written comments, after which it will be sent to the Steering Group for approval. Upon approval it will be published on the BIRD webpage.

During the discussion it was clarified that there will be another call for nomination for the BIRD Expert Group, especially given the planned extension of its tasks (e.g. validation). Moreover, it was suggested to hold more frequent (“extraordinary”) meetings of the Steering Group to actively monitor any changes to the framework and plan activities accordingly. This would also contribute to the credibility of the BIRD.

The Steering Group agreed with the work plan overall.

- The BIRD work plan will be circulated for written comments after the meeting. Upon approval by the Steering Group it will be published on the BIRD webpage.
- A call for nomination for the BIRD Expert Group will be sent in due course

Coffee break – 10 min

Item 2.4 BIRD collaboration: enhanced commitment

11:00 – 11:30

Francisco Saravia (EBF) and Ralf Okla (ECB) introduced the item on enhanced commitment. First, they illustrated the evolution of the BIRD and the BIRD members’ commitment to the project. Thereafter they presented the goals (e.g. maintaining the BIRD solution in the long term and improving planning capabilities) of enhanced commitment.

It was proposed that the EBF and ECB, together with the banking industry and authorities respectively, investigate the possible forms of enhanced commitment, for example by reviewing existing arrangements. A statement of commitment will subsequently be drafted and, upon approval by the Steering Group, published on the BIRD webpage.

The Steering Group acknowledged the interest in enhanced commitment and approved the proposed approach and timeline to develop a draft statement to formalise the commitment.

- The EBF and the ECB will start the preliminary investigation regarding the possibilities of different arrangements in line with the agreed approach.

Item 2.5 Promotion/communication of BIRD

11:30 – 12:00

Francisco Saravia (EBF) and Ruben van der Helm (ECB) presented the proposal to set up a subgroup to draft a promotion and communications strategy for the BIRD project. The strategy should help the BIRD group to better communicate the benefits of the project (e.g. fostering the integration of statistical, prudential and resolution requirements) and link its objectives to the preferred target audience and most effective channel for communication. In addition, the strategy should cover proposals for amplifying BIRD messages, for example via external companies (e.g. in the work stream on testing) and stakeholders. The subgroup would consist of Steering Group and Expert Group members, and it should focus on identifying i) the main needs of the BIRD project and ii) the relevant target audience. It should also weigh up the potential costs and benefits in order to identify activities with the highest value added and ensure the viability of the strategy.

The Steering Group confirmed the need for a promotion and communications strategy and suggested looking into use cases (or proof of concepts) with a view to demonstrating the usefulness of the BIRD. The

members also agreed to set up a subgroup, although they recommended not waiting for the strategy in the case of activities that could already be deployed.

- A call for nominations for the agreed subgroup will be submitted after the meeting.

Coffee break – 10 min

Closing remarks

20 min.

Hansjakob Schlaich (ECB) briefly summarised the agenda items, the discussions, and items to be followed up. He highlighted the good progress made in the last year on the relaunch and new BIRD process and the positive stance of the Steering Group regarding the proposed elements of the BIRD relaunch. The Steering Group meeting will be followed up by written procedures, nominations for the subgroups and a discussion regarding the potential signing-off of the BIRD content and the structure of the Expert Group. Lastly, Mr Schlaich warmly thanked all Steering Group members for their participation and their constructive discussion and feedback.

The Co-Chairs (Marc Ziegler and Massimo Casa) concluded the meeting, echoing the fact that a successful relaunch built on strong commitment, good collaboration and trust will make the BIRD fit for the future. The workplan is challenging but manageable with the commitment shown during the meeting. The Co-Chairs suggested that the Steering Group have more frequent interaction on the status of work items in order to make the project and its activities more agile and to increase its overall credibility. They also thanked all the members for their participation and useful interventions. Moreover, they thanked the ECB BIRD team and the EBF for their preparation of the meeting.

THE END

Annex I: Meeting Participants

Mr	Massimo	Casa	Banca d'Italia	Co-Chair
Mr	Marc	Ziegler	DZ Bank	Co-Chair
Banking industry				
Mr	Francisco	Saravia	European Banking Federation	Co-Secretary
Mr	Rolf	Otten	ABN AMRO	
Mr	Nigel	Bass	Allied Irish Banks	
Mr	Alberto	Fernandez	Banco Santander S.A.	
Mr	Javier	Villanueva	Banco Santander S.A.	
Mr	Jon	Zamacola	BBVA	
Mr	David	Leclerc	BNP PARIBAS	
Mr	Raphael	Bovy	The Bank of New York Mellon SA/NV	
Mr	Marco	Cremonini	BPER Banca	
Mr	Paolo	Solieri	BPER Banca	
Mr	Antonio	Rodriguez	CaixaBank S.A.	
Mr	Diego	Ricci	Cassa Centrale Banca – Credito Cooperativo Italiano	
Mr	Juan Carlos	Valero	Cecabank	
Mr	Nils	Gerstengarbe	Commerzbank AG	
Mr	Jan Philipp	Schmidt	Commerzbank AG	
Mr	Kagan	Koktas	De Volksbank N.V.	
Mr	Patrick	Carey	Deutsche Bank	
Ms	Christine	Rauth	Deutsche Bank	
Mr	Martin	Lippert	Deutscher Sparkassen- und Giroverband	
Ms	Oana Sinziana	Sasu	Erste Group Bank AG	
Mr	Thomas	Breitenfelder	Erste Group Bank AG	
Mr	Marco	Carnevali	Iccrea Banca S.p.A	
Mr	Paul	Mollers	ING Groep N.V.	
Mr	Angelo	De Santis	Intesa Sanpaolo S.p.A	
Mr	Massimiliano	Gally	Intesa Sanpaolo S.p.A	
Mr	Corrado	Grasso	Intesa Sanpaolo S.p.A	
Mr	Franco	Grossini	Intesa Sanpaolo S.p.A	
Mr	Mark	Behets	KBC Group	
Ms	Susanna	Chaussadis	Monte dei Paschi di Siena S.p.A.	
Mr	Zach	Dhruve	Nordea Bank	
Mr	Mike	Velthaak	Rabobank Nederland	
Mr	Stefan	Becker	Raiffeisen Bank International AG	
Mr	Valentin	Winger	Raiffeisen Bank International AG	
Mr	Thomas	Stawitzke	Sparkassen Rating und Risikosysteme GmbH	
Mr	Luca	Guarinoni	UniCredit S.p.A	
National Central Banks				
Mr	Arjan	Bos	De Nederlandsche Bank	
Ms	Nynke	Doornbos	De Nederlandsche Bank	
Ms	Carmen	Fernández	Banco de España	
Ms	Elisabeth	Flittner	Suomen Pankki – Finlands Bank	

Mr	Jochen	Henn	Deutsche Bundesbank	
Mr	Guenther	Sedlacek	Oesterreichische Nationalbank	
Other European authorities				
Ms	Diana	Gaibor	European Banking Authority	
Ms	Meri	Rimannen	European Banking Authority	
Ms	Maria	Cuhna	European Banking Authority	
Mr	Alain	Vranken	Single Resolution Board	
Ms	Tracy	Cox	Single Resolution Board	
European Central Bank				
Ms	Dominique	Durant	European Central Bank	Deputy Director General
Mr	Giancarlo	Pellizzari	European Central Bank	
Mr	Paolo	Poloni	European Central Bank	
Mr	Hansjakob	Schlaich	European Central Bank	
Mr	Florian	Schuster	European Central Bank	
Ms	Daniela	Arru	European Central Bank	Co-Secretary
Mr	Davide Nicola	Continanza	European Central Bank	
Ms	Giulia	Oddone	European Central Bank	
Mr	Ralf	Okla	European Central Bank	
Mr	Ruben	Van Der Helm	European Central Bank	