

BIRD STEERING GROUP**BIRD STEERING GROUP MEETING****21 November 2022****SUMMARY AND ACTION POINTS****Item 1.1: Opening remarks****10.00 – 10.20**

Hansjakob Schlaich (ECB) welcomed the participants to the meeting of the BIRD Steering Group (“Steering Group” or “SG” hereafter).

Introductory statement by Dominique Durant

The ECB Deputy Director General Statistics, Ms Dominique Durant, thanked the European Banking Federation (EBF) for hosting and organising the meeting.

Ms Durant highlighted that the development of an integrated reporting framework in the European Union requires long-term commitment by all stakeholders and that the ECB is and stays fully committed to BIRD and to fostering the integration of reporting requirements for statistical, prudential, and resolution purposes. To that end, the collaboration with the banking industry in a continuous way and at an early stage of new reporting requirements is key, as they bring in their experience and knowledge.

Furthermore, she emphasised the importance of the joint efforts in BIRD. The voluntary character of the project allows for open discussions and can therefore also provide important input for the Joint Bank Reporting Committee (JBRC) to be set in 2023 as a follow up of the EBA feasibility study, its modelling, and semantic integration process.

She concluded with thanking the participants for their strong commitment to the BIRD project and their work in the subgroups and wished them a fruitful meeting.

The Steering Group Co-Chairs Marc Ziegler (DZ Bank) and Massimo Casa (Banca d'Italia) thanked Ms Durant for her encouraging words and Francisco Saravia (EBF) for hosting the meeting. In their opening statement, the Co-Chairs acknowledged the support of the industry for BIRD over the last years. For the tasks to come, the trust built between authorities and banks in the course of the BIRD cooperation should be a role model.

They also highlighted the good collaboration within the project. Not only on the organisational and business level, but also on the technical level. To make BIRD useful to all stakeholders it is important to strengthen the operational activities for BIRD production.

At the end of their opening statements, the Co-Chairs welcomed the following new members joining the group for the first time:

Cecabank: Carolina Garzón Diazgranados is the new representative

De Volksbank: Irene Hsu is the new representative

Deutscher Sparkassen- und Giroverband (DSGV): Robert Rowohl is the new representative

BNP Paribas: Paul Margerie will replace David Leclerc after this meeting as the representative

In addition, some representatives were substituted for this meeting:

The Bank of New York Mellon: Nele Matthys substituted for Raphael Bovy

Oesterreichische Nationalbank: Katharina Kienecker substituted for Guenther Sedlacek

De Nederlandsche Bank: Nynke Doornbos substituted for Ron Jongen

The Co-Chairs also welcomed Pavel Diko who joined this meeting on behalf of the European Commission.

Item 1.2 BIRD substructures – progress report

10.20 – 12.00

BIRD relaunch – state of play

Hansjakob Schlaich summarized the BIRD process as agreed by the Steering Group in 2021 (BIRD relaunch). He introduced the structure of the following progress report. The BIRD content and components will be made available on the new website, which is planned to be presented to the BIRD SG under agenda item 1.7.

Subgroup on Logical Data Model (LDM) and Input Layer (IL) review

Giulia Oddone (ECB) presented the organisation, progress, and interim outcome of the subgroup on LDM/IL review. The subgroup was divided into three ‘substreams’ that focussed on specific topics (i.e., validation of the model design of LDM, Validation of the business rules & requirements in the LDM, and Assessment of the IL as implementation model). The subgroup used Gitlab, a collaboration tool to track issues, to communicate its findings to the work stream on Data Modelling (WS DM), which, in turn, followed-up to the feedback. The last meetings regarding the potential inclusion of consolidation aspects into BIRD will take place in December, in full composition because of the importance of the topic.

Ms Oddone summarized the main findings, which range from the detection of missing subtypes for AnaCredit and FinRep requirements to alternative modelling for different macro areas. More details about the findings of the subgroup will be made available in a final report upon the closure of the group (planned for end 2022).

Some members asked about the coverage of different frameworks in the BIRD LDM and IL. During the discussion, it was reiterated that the subgroup’s work scope is to validate different aspects of LDM and IL, such as model design or business rules. As the subgroup has successfully worked on business requirements as well as the technical implementation, BIRD is now – in addition with the work of the subgroup on semantic transformation rules – ready for the inclusion of other frameworks. Furthermore, it was clarified that future assessments of the quality and completeness of the BIRD content can in addition to the BIRD internal processes be performed by the parties that regularly make use of BIRD and can detect issues. To allow for monitoring the progress on the implementation of frameworks, it was suggested to

develop and use KPIs. The Steering Group thanked the subgroup for its comprehensive and important work and agreed to close the subgroup after finalising the report.

Subgroup on logical/semantic transformation rules

Ruben van der Helm (ECB) presented to the Steering Group the outcome of the subgroup on logical/semantic transformation rules. Upon the BIRD relaunch, it was decided that transformation rules will be primarily written in logical/semantic language to support business users and provide the business perspective in an easy language. The main task of the subgroup was to validate and enhance the design proposal put forward by the ECB BIRD team. The final design proposed by the subgroup was demonstrated for the derivation and generation rules respectively.

The transformations include links to the new BIRD website, which will serve as single point of information regarding BIRD. That should ensure quality and reduce maintenance. A manual how to write transformation rules will also be made available, and a final report for approval will be shared via written procedure. In addition, the Steering Group will be asked to put the subgroup on hold, so it can be quickly reactivated if questions from other subgroups arise.

The design proposals will serve as a guideline for future subgroups working on the inclusion of new/updated reporting frameworks. It was pointed out that the same wording could be used differently in different regulations. In such cases, the naming and definition of objects will have to refer to the specific reporting and/or accounting framework. Additionally, the BIRD website will serve as a single point of information to counter this issue.

The Steering Group thanked the subgroup for its work and design proposal and looks forward to receiving the final report.

Subgroup communication and promotion

Ruben van der Helm updated the BIRD Steering Group regarding the ongoing activities by the subgroup on communication and promotion. The communication strategy, that should help to better achieve and communicate the objectives and benefits of the BIRD project, was approved by the Steering Group in July 2022. Over summer, the subgroup drafted the first standard slide decks and reviewed and commented on the design proposal for the new BIRD website. Since September, the work concentrates on the development of the new website, a newsletter, a calendar, and posts/mentions on social media channels. It is proposed to continue the subgroup's work in 2023 in the existing composition.

Subgroup Integrated Reporting Framework (IReF)

Florian Schuster (ECB) provided a quick overview of the work done so far by the subgroup on IReF. He highlighted the impressive participation of many different institutions and experts to the subgroup, which is crucial considering that IReF touches upon a wide range of business aspects. For example, the IReF requires the inclusion of cash pooling in BIRD and despite the big number of participating institutions just three of them are actually conducting this business.

In 2022, the activities of the subgroup covered the identification and integration of missing IReF requirements in the BIRD LDM, and the integration of securitisations and other loans transfer requirements was initiated. The work on the latter item will continue in 2023. For next year, the subgroup's focus will be on the integration of common country-specific requirements (i.e., requirements that will be included in the

IReF regulation due to their common nature across the euro area) in BIRD, in close collaboration with the WS DM.

Work stream Data Modelling (WS DM)

Arjan Bos (ECB) presented the progress made by the WS DM, which seeks for continuous improvement of the BIRD LDM. This means improvement of the consistency, reliability, and integrity of the LDM as well as clarifications for BIRD users and improvement of documentation provided. Mr Bos presented a high number of resolved issues stemming from the input of the work stream on Prototyping (WS P) and subgroup on LDM/IL review. He also emphasised the new plan for intermediate releases of the LDM and IL, which shall take place every six months, starting end of 2022. The BIRD website shall also provide a better traceability of metadata to be able to see where attributes belong to. It was briefly mentioned this could facilitate the KPIs discussed earlier.

Work stream Prototyping (WS P)

Daniela Arru (ECB) updated the Steering Group on the work stream on Prototyping. One of the tasks of the work stream is to verify consistency, reliability, and integrity of the new BIRD process and its components. With the BIRD relaunch, the scope of the work stream was adjusted and now consists of facilitating an environment for the development of implementation models and IT solutions based on the core deliverables of the BIRD project. At the moment, the work stream consists of around 160 members from over 40 companies, holding great potential for the project.

In its function, the work stream was able to review the BIRD data models and the accompanying documentations. The outcome of the review helped to detect potential errors and to generate suggestions for user-friendly material (e.g., more business-friendly and clear documentation, additional ways of accessing the BIRD data models). The work stream also acted as informal interface between different institutions and therefore brought new perspectives and communicated expectations as well as needs of external parties to the BIRD project. Right now, the work stream is finalising its annual planned activities by reviewing the IL in the context of its function as a basis for an implementation model.

To generate more benefits for the BIRD project for the future, it was suggested to explore ways to bring the practical insights of the work stream closer to the Steering Group. For instance, as a way forward, the work stream can focus on sharing experience about their approach and results of prototyping activities and provide feedback to the project on aspects such as usability for technical implementations.

Item 1.3 Update European Integrated Reporting: initiatives between authorities

12.00 – 12.15

Hansjakob Schlaich informed the Steering Group about the ongoing initiatives between authorities in the context of Integrated Reporting, for example in the so-called Join Reporting Committee.

During the discussion, it was clarified that participants do not need to have a technical background for the workshop on integrated reporting, as there are mainly non-technical discussions envisaged. Furthermore, the Co-Chairs encouraged the active participation in the workshop as a way for the industry to get involved into the discussions.

Lunch break

Daniela Arru presented the draft work plan for 2023. The work plan builds on the experiences gained in 2022 and the basic principles set out in the BIRD relaunch (e.g., viability, fostering the integration of prudential, statistics and resolution reporting). Moreover, it includes the priorities set by the Steering Group (e.g. IReF, FinRep, Asset Encumbrance and ESG).

The Steering Group welcomed the proposal but, at the same time, it recalled the need to focus enough resources and time to the most highly valued topics. Therefore, focus will be more on the high-priority topics in 2023. At this stage, IReF should be one of the prioritised topics because at a given time there will also come the regulation that has to be implemented. Given the resources available and the interest to consolidate the new BIRD process, the refactoring of Finrep would be a good test case for the newly developed BIRD components, e.g., BIRD data models and logical/semantic transformation rules. Moreover, having Finrep fully documented in BIRD would add value for many banks. It was ultimately decided to set up a new subgroup at the beginning of next year for which resources will be soon nominated by the Steering Group. The subgroup will leverage on all the work already performed and on new collaboration and visualisation tools to complete the integration of Finrep and Asset Encumbrance in BIRD.

After its finalisation, the BIRD work plan for 2023 will be published on the ECB website.

Antonio Colangelo (ECB) presented the state of play regarding the IReF project. In 2020-2021, a cost-benefit assessment (CBA) was conducted with IReF stateholders to evaluate the costs and benefits of the scenarios that had been identified for possible coverage in the IReF on a number of technical, content-related, and implementation aspects. The plan for the next two years is to conduct a complementary CBA to close some additional gaps that have been identified and to match the assessed costs and benefits with the objective to identify the features for the IReF regulation and develop the IReF data model and extended technical layer.

The complementary CBA will be initiated in 2023Q1; all institutions are encouraged to participate. The publication of the results is planned for 2023 Q3.

Nordea Bank and the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin) presented their use of and experiences with using BIRD. Both examples utilize BIRD components resulting from the relaunch and highlight the usability, quality, and added value of BIRD. Besides the benefits, the presenters also shared their thoughts as regards potential improvements to make it easier and even more beneficial to use BIRD. Some of these points, for example clear roadmaps and transformation rules, are already being addressed.

Zach Dhruve and Rafał Olczak (both Nordea Bank) presented the experiences using BIRD at Nordea Bank. There were several reasons that led to the decision of implementing BIRD at an early stage: A single source of truth from a harmonised data model shall lead to a reduction in redundancies and overlaps in the reporting process. The streamlined process should then hold the potential of cost savings both in the maintenance as well as in the implementation of future reporting requirements.

One important lesson learned is that the IL lacks checks on referential integrity, completeness, and consistency at the moment, what requires close collaboration between the implementing entity and the ECB. One of the suggestions was to implement checks as early as possible, for example, the AnaCredit

validation rules could be translated almost directly into BIRD. Validation checks should also be available as early as possible in the process. In view of the project managers, the earlier one can identify potential errors, the easier it is to fix these issues. Furthermore, the presenters stressed the need for transformation rules and BIRD manuals with clear definitions. They also highlighted that modelling of national requirements should be done based on the same design principles as the 'common requirements' in BIRD.

Eric Freund, Lars Gutsche (BaFin), and Alexander Michalew (Accenture) presented the use of BIRD in the BaFin Feasibility Study on Regulatory Reporting. For the study, a prototype was developed using BIRD LDM as a nucleus, i.e. the LDM, with extensions like anchor values and national add-ons, was used as a common data model throughout the whole data supply chain (i.e. from reporting agents to data users). That supports a data-driven reporting without templates, which in turn ensures quality, consistency, and gives more flexibility to authorities for analysis. The lessons learned went in a similar direction to those of Nordea Bank, as the need for checks on data quality was mentioned as well as a central repository for the models and rules. The potential of BIRD to make modern reporting more efficient was shown by both use cases. Nevertheless, it was emphasised that the project also has to integrate lessons learned in the working priorities. Both use cases also showed the added value of the inclusion of FinRep into BIRD.

The Steering Group very much welcomed the presentations, which showed the potential of BIRD, even at this early stage. It once more confirmed the importance of the BIRD project.

Item 1.7 New BIRD website: a demo
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RESCHEDULED

Due to the lack of time, the presentation regarding the new BIRD website was rescheduled.

Item 1.8 Closing remarks

15.50 – 16.00

The Co-Chairs and Hansjakob Schlaich thanked the participants for their active participation and constructive discussions. The two use cases, which showed the great potential of BIRD, are a strong motivation to continue working on the tasks ahead. Lastly, the Steering Group was reminded about the upcoming survey concerning the approval of the final workplan and the need for participants for the future subgroup.

THE END

Annex I: Meeting Participants

Mr	Marc	Ziegler	DZ Bank AG	Co-Chair
Mr	Massimo	Casa	Banca d'Italia	Co-Chair
Banking industry				
Mr	Francisco	Saravia	European Banking Federation	Co-Secretary
Mr	Rolf	Otten	ABN AMRO	
Mr	Nigel	Bass	Allied Irish Banks	
Mr	Jörg	Korfmann	Atruvia	
Mr	Anton	Kellner	Aurep	
Mr	Alberto	Fernández	Banco Santander S.A.	
Mr	Francisco Javier	Villanueva	Banco Santander S.A.	
Mr	Jon	Zamacola	BBVA	
Mr	David	Leclerc	BNP Paribas	
Ms	Nele	Matthys	The Bank of New York Mellon SA/NV	
Mr	Marco	Cremonini	BPER Banca	
Mr	Rafael	Fernandez Campos	CaixaBank S.A.	
Mr	Sergio	Rodriguez Alvarez	CaixaBank S.A.	
Mr	Antonio	Rodriguez Calvo	CaixaBank S.A.	
Mr	Diego	Ricci	Cassa Centrale Banca – Credito Cooperativo Italiano	
Ms	Carolina	Garzon Diazgranados	Ceca Bank S.A.	
Mr	Nils	Gerstengarbe	Commerzbank AG	
Mr	François-Xavier	Coquery	Credit Agricole	
Mr	Patrick	Carey	Deutsche Bank AG	
Ms	Irene	Hsu	De Volksbank N.V.	
Mr	Robert	Rowohl	Deutscher Sparkassen- und Giroverband e.V.	
Mr	Christian	Fritz	Erste Group Bank AG	
Mr	Marco	Carnevali	Iccrea Banca S.p.A	
Mr	Paul	Möllers	ING Groep N.V.	
Mr	Angelo	De Santis	Intesa Sanpaolo S.p.A	
Mr	Franco	Grossini	Intesa Sanpaolo S.p.A	
Ms	Eveline	Martens	KBC Group	
Mr	Florian	Sebert	Landesbank Baden-Württemberg	
Ms	Susanna	Chaussadis	Monte dei Paschi di Siena S.p.A.	
Mr	Zach	Dhruve	Nordea Bank	
Mr	Rafał	Olczak	Nordea Bank	
Mr	Mike	Velthaak	Rabobank Nederland	
Mr	Valentin	Winger	Raiffeisen Bank International AG	
Mr	Antoine	Vanney	Société Générale	
Mr	Thomas	Stawitzke	Sparkassen Rating und Risikosysteme GmbH	
Mr	Bonifacio	Di Francescantonio	UniCredit S.p.A	
Mr	Luca	Guarinoni	UniCredit S.p.A	

National Central Banks

Ms	Carmen	Fernandez	Banco de España
Ms	Nynke	Doornbos	De Nederlandsche Bank
Ms	Elisabeth	Flittner	Bank of Finland
Mr	Jochen	Henn	Deutsche Bundesbank
Ms	Katharina	Kienecker	Oesterreichische Nationalbank

Other European authorities

Ms	Anca	Dinita	European Banking Authority
Mr	Pavel	Diko	European Commission
Ms	Tracy	Cox	Single Resolution Board

European Central Bank

Ms	Dominique	Durant	European Central Bank	
Ms	Hanna	Häkkinen	European Central Bank	Co-Secretary
Mr	Ruben	van der Helm	European Central Bank	Co-Secretary
Ms	Daniela	Arru	European Central Bank	
Mr	Arjan	Bos	European Central Bank	
Mr	Sebastian	Brachtl	European Central Bank	
Mr	Antonio	Colangelo	European Central Bank	
Ms	Maria	Henriques	European Central Bank	
Mr	Andrea	Novello	European Central Bank	
Ms	Giulia	Oddone	European Central Bank	
Ms	Anamari	Oštarijaš	European Central Bank	
Mr	Giancarlo	Pellizzari	European Central Bank	
Mr	Paolo	Poloni	European Central Bank	
Mr	Gregorio Luigi	Saporito	European Central Bank	
Mr	Hansjakob	Schlaich	European Central Bank	
Mr	Florian	Schuster	European Central Bank	