

**SUMMARY AND ACTION POINTS**  
**BIRD STEERING GROUP MEETING**  
*25 October 2019, Frankfurt*

**Summary**

The main purpose of the meeting was to present the activities carried out by the Banks' Integrated Reporting Dictionary (BIRD) Expert Group since July 2019, and to discuss the next steps and the proposals for the review of the BIRD work plan for 2019-21.

Mr Massimo Casa, co-Chairperson of the BIRD Steering Group, gave an overview of the countries and resources currently involved in the BIRD and introduced the new co-Chairperson, Mr Marc Ziegler. Mr Ziegler replaces Ms Olivia Hauet, who stepped down in October 2019.

The Steering Group members very much appreciated the information provided on the BIRD's activities and the opportunity to exchange views on future activities and developments planned for the BIRD initiative, and thus to develop a common vision for its future.

Presentations were given on the following: (i) a status report on the BIRD's activities, with a special focus on the work streams (WSs) on modelling and testing, (ii) a review of the BIRD work plan, (iii) an update on the ESCB Integrated Reporting Framework (IReF), (iv) an update on the European Banking Authority (EBA) feasibility study, and (v) the status of the BIRD website.

A summary of the main agenda items is provided below.

- **Report on the BIRD's activities**

Several participants stressed the importance of the work of the WSs on modelling and testing for ensuring the good quality of BIRD documentation and a stable input layer, which would be used to include additional reporting requirements in the future. The role of Validation and Transformation Language (VTL), which is used as a business language to formally describe the BIRD's transformation rules, was also clarified. VTL is a clear language and can be easily translated into several IT languages. It was pointed out that the decision to avoid specific IT languages was driven by the need to leave the market the option of choosing the language for the implementation of the BIRD transformation rules. Software vendors involved in the WS on testing had confirmed that complex transformations can be described easily using VTL.

Mr Ziegler suggested that business experts should participate more extensively in the WS on modelling, depending on the topic – for example, securitisation experts should be involved in developing the logical model for securitisation.

- **WSs on modelling and testing, and the BIRD work plan**

#### WS on modelling

The coordinator of the WS on modelling presented the status of the work and explained that the planned timeline would need to be extended in order to complete the definition of the logical data model. The logical data model is an additional layer for fully normalising the input layer, which will remain the starting point for the experts working on the implementation of new reporting requirements in the BIRD. As a consequence of the development of the logical model, the input layer will have to be amended to reflect the new modelling approach agreed within the WS.

The design of the data model will be decided by the WS on modelling, in close collaboration with business experts. In this regard, it was clarified that the BIRD is a voluntary initiative operated by the European Central Bank (ECB) and a group of national central banks and commercial banks, and does not result in new regulations for reporting agents. Reporting agents who decide to use the BIRD documentation remain responsible for the regulatory reports provided to the various EU authorities.

The WS on modelling would provide several releases of the BIRD input layer in 2020 and work closely with the BIRD sub-groups to better define and/or amend the input layer in order to ensure homogeneity in the definition of the input layer by the various groups of experts.

#### WS on testing

BIRD Steering Group participants stressed the key role of the WS on testing in ensuring that BIRD documentation was correct and in proving the reliability and the integrity of the BIRD to banks. For this reason, it was agreed that BIRD activity would be focused on finalising the work on testing according to the plans of the WS.

The WS on testing is expected to conclude the work on the frameworks currently covered in BIRD release 4.0 by the end of March 2020. It would then work on testing the BIRD's new releases following the outcome of the modelling activities, and the new releases related to the implementation of new reporting frameworks. This would ensure that BIRD documentation was correct and of high quality, and prove that the BIRD could be used by reporting agents and their software vendors to derive the reports.

#### BIRD work plan 2020

Some commercial banks expressed the wish to include in the BIRD additional frameworks related to the changes made due to the CRR II<sup>1</sup>. However, the Steering Group agreed that it would be key to the success of the BIRD to concentrate efforts – and in particular, limited ECB resources – on finalising the work of the WSs on testing and modelling before establishing new sub-groups.

For the same reason, the Steering Group agreed that the activities of the new BIRD sub-groups on balance sheet items/MFI interest rates, liquidity and leverage launched in October 2019 would

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<sup>1</sup> Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk, market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and Regulation (EU) No 648/2012 (OJ L 150, 7.6.2019, p. 1)

be put on hold between the end of 2019 and mid-2020, so that the work on the WS on testing and the first phase of the WS on modelling could be finalised. To benefit from the work that had already been done, the sub-groups may organise ad hoc seminars to inform all BIRD Expert Group members of the progress made, if this was relevant and feasible.

In addition, the Steering Group saw the merits of organising seminars on topics related to the new requirements introduced by the CRR II which for the time being could not be covered by new BIRD sub-groups, so as to clarify issues related to the forthcoming Regulation. Proposals for presenters from the members of the BIRD Steering Group and/or Expert Group were welcome.

- **The IReF**

The scope of the IReF, namely its focus on statistical requirements, was clarified. The possibility of technically integrating (some) national requirements in the IReF model would be considered, but these requirements are subject to national laws and outside the scope of the ECB's mandate.

- **EBA feasibility study on integrated data**

The EBA representatives presented the status of the EBA feasibility study on integrated data reporting in accordance with CRR II Article 430c. The scope and the general project overview, along with the steps expected to be taken in close cooperation with all the stakeholders, were explained. A clear calendar for bank involvement was not ready, but the banks' cooperation was greatly appreciated. The EBA also announced that the timeline would be extended. There were some questions regarding the frequent changes on reporting requirements, and it was explained that the European Commission triggers the changes, while the EBA simply responds to the Commission's requests.

Some members of the Steering Group highlighted the benefits of using a common methodology in the definition of reporting requirements. This could allow the BIRD to cover the statistical and supervisory requirements easily, avoiding the current steps of methodological and semantic integration made necessary by the existence of different dictionaries and methodologies.

- **BIRD website**

The Steering Group was given an update on the BIRD website incident in August 2019, which caused the closure of both the public and the private BIRD websites. The documentation previously available on the public BIRD website had been moved to the ECB's website, while a dedicated data-room solution is currently being used to share working documents and tasks with members of the BIRD Expert Group.

The BIRD website navigation tools are currently not available on the ECB's website and would hopefully be restored by the end of 2020.

### **Action points**

The BIRD work plan will be reviewed as follows to reflect the decisions taken during this meeting:

- (i) A new BIRD release covering the frameworks on Common Reporting (COREP), securitisation and non-performing loans is planned by the end of 2019.
- (ii) The timeline of the WS on modelling will be extended, as follows, to finalise the logical model:
  - a. Version 1.0 by the first/second quarter of 2020, covering instruments, credit facilities, protections, securities, securitisations, parties, party roles, balance sheet elements, master netting agreements, derivatives and aggregates;
  - b. Version 1.1 by the third quarter of 2020, also covering COREP credit risk;
  - c. Version 1.2 by the fourth quarter of 2020, also covering remaining asset encumbrance.
- (iii) The WS on modelling will internally discuss, in one of its forthcoming meetings, the different opinions on the approach for the definition of the logical model, as well as other operational/technical issues such as WS-internal procedures, resource allocation, tools and documentation. The WS will also develop (a) a document on modelling best practices, and (b) a document describing the treatment of consolidated values in the logical model, for distribution to the BIRD Expert Group and Steering Group.
- (iv) After the first round of tests, expected in March 2020, the WS on testing will work to verify the quality of the new input releases resulting from the outcome of the WS on modelling.
- (v) After the conclusion of their activities, which is planned for the end of 2020, the WSs on modelling and testing will be working together with the BIRD sub-groups to establish a proper definition of the input layer and certify the quality of the documentation before each new release of the BIRD.
- (vi) The newly established sub-groups on balance sheet items/MFI interest rates, leverage and liquidity will temporarily halt their activities after the next meeting (November/December, depending on the sub-group) to allow the work of the WS on modelling to be finalised. This work will have an impact on the BIRD input layer, as the stability of the input layer is crucial for the sub-groups to develop their transformation rules. To benefit from the work already done, and if deemed relevant, the sub-groups may organise ad hoc seminars to inform all members of the BIRD Expert Group of the progress made.
- (vii) Seminars will be organised by BIRD volunteers on the new requirements under the CRR II. The Secretary of the Expert Group will inform the Group in this respect. A first seminar may be organised by Banca d'Italia on leverage ratio and counterparty credit risk.
- (viii) The next meetings of the Steering Group will be organised in the second quarter of 2020 and the fourth quarter of 2020.

## List of participants

<b>Chair</b>	Mr Massimo CASA	Banca d'Italia
<b>Chair</b>	Mr Marc ZIEGLER	DZ Bank
<b>Secretary</b>	Ms Silvia GIACINTI	European Central Bank
	Mr Werner BIER	European Central Bank
	Ms Romana PERONACI	European Central Bank
	Mr Paolo POLONI	European Central Bank
<b>Secretary</b>	Mr Francisco SARAVIA	European Banking Federation
	Mr Rolf OTTEN	ABN AMRO Bank
	Ms Marion KEARNS	Allied Irish Banks
	Mr Sergio MORICONE	Banca Monte dei Paschi di Siena
	Mr Carmelo QUINTANA GÓMEZ	BBVA
	Ms Carmen GARCÍA PANADÉS	Banco de España
	Ms Elisabeth FLITTNER	Suomen Pankki
	Mr Alberto FERNÁNDEZ HUETE	Banco Santander
	Mr David LECLERC	BNP Paribas
	Mr François PETETIN	BPCE
	Mr Marco CREMONINI	BPER Banca
	Mr Víctor MANCHADO PERDIGUERO	CaixaBank
	Mr Andrea BACIARELLO	Cassa Centrale
	Mr Jan-Philipp SCHMIDT	Commerzbank
	Mr Nils GERSTENGARBE	Commerzbank
	Mr Ron JONGEN	De Nederlandsche Bank
	Mr Jochen HENN	Deutsche Bundesbank
	Mr Patrick CAREY	Deutsche Bank
	Mr Martin LIPPERT	Deutscher Sparkassen- und Giroverband
	Mr Kağan KÖKTAŞ	De Volksbank
	Ms Suzan TANRIYAR	Erste Group Bank
	Mr Jan Michael LESKINEN	Erste Group Bank
	Ms Meri RIMMANEN	European Banking Authority
	Mr Fekke ODIJK	ING
	Mr Paul MOLLERS	ING
	Mr Mark BEHETS	KBC Group
	Mr Guenther SEDLACEK	Oesterreichische Nationalbank
	Mr Valentin WINGER	Raiffeisen Bank International
	Mr Thomas STAWITZKE	S Rating und Risikosysteme
	Mr Alain VRANKEN	Single Resolution Board
	Mr Alain GHNASSIA	Société Générale
	Mr Bonifacio DI FRANCESCANTONIO	UniCredit