



EUROPEAN CENTRAL BANK
EUROSYSTEM

Integrated Reporting Framework (IReF)

Standardising the
collection of statistical
data

The IReF CBA launch

Analytical Credit & Master Data Division



Outline

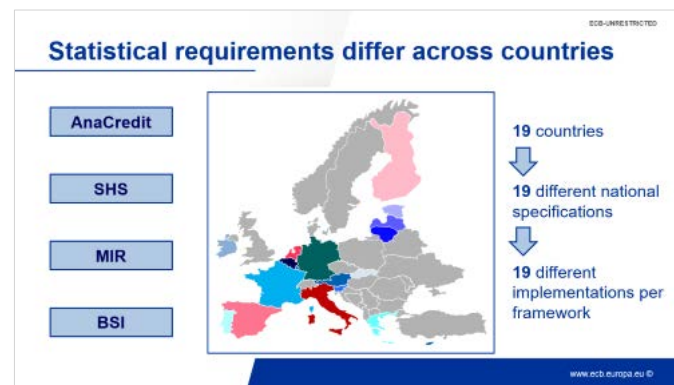
- 1 Background and main objective**
- 2 Development of the draft scheme**
- 3 Cost-benefit assessment questionnaire**

Outline

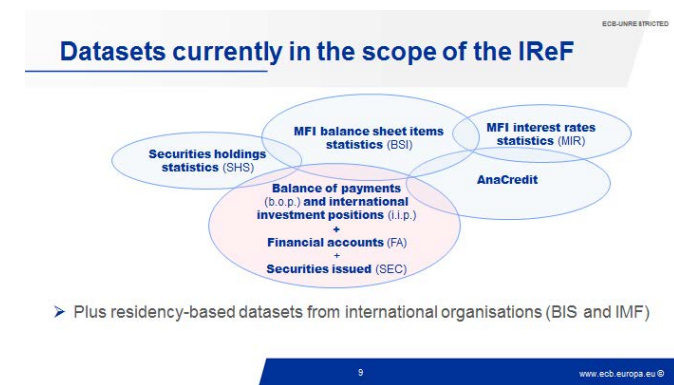
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What is the IReF seeking to achieve?

Cross-country standardisation



Redundancy-free reporting



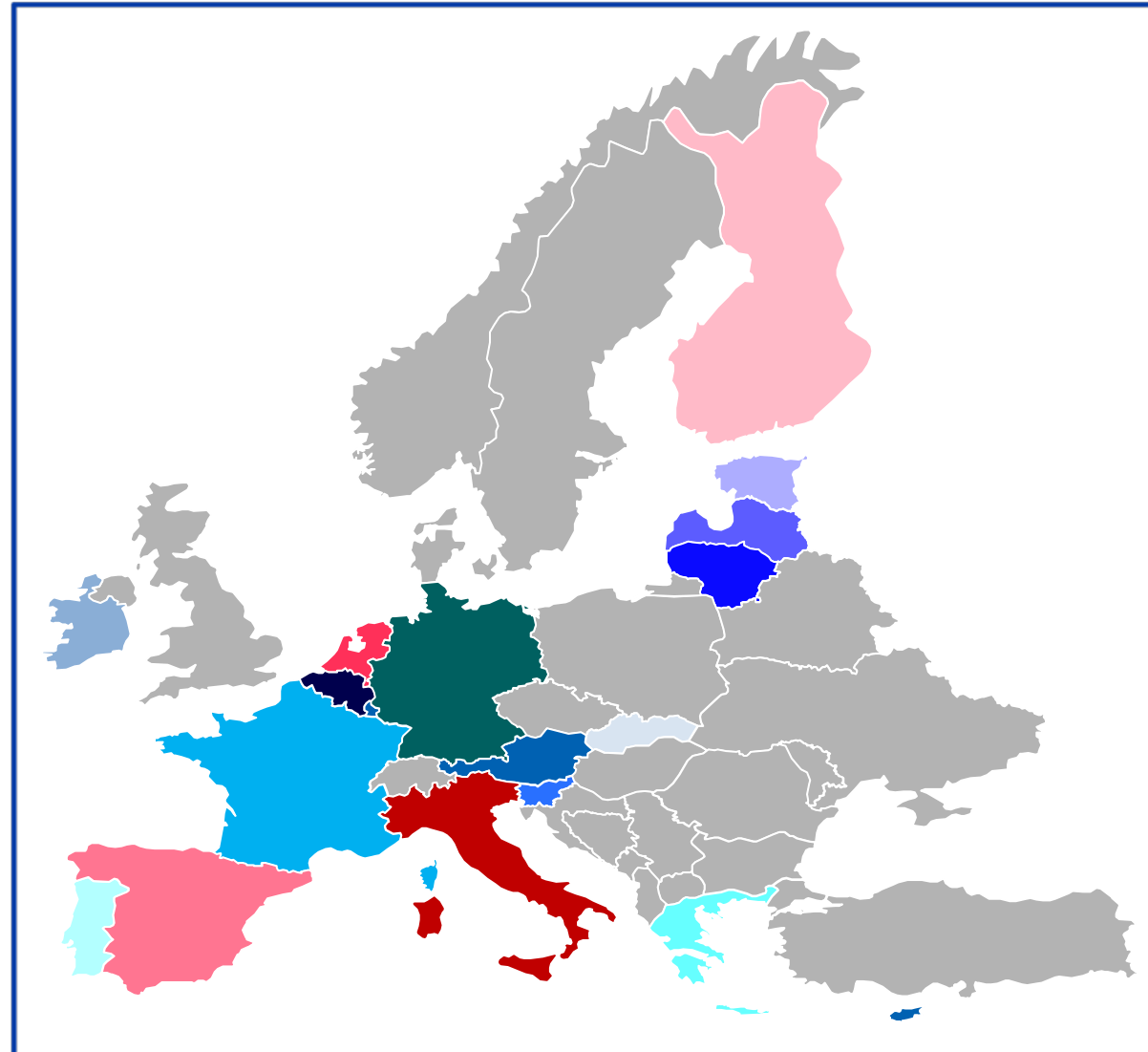
Statistical requirements differ across countries

AnaCredit

SHS

MIR

BSI



19 countries



19 different national specifications



19 different implementations per framework

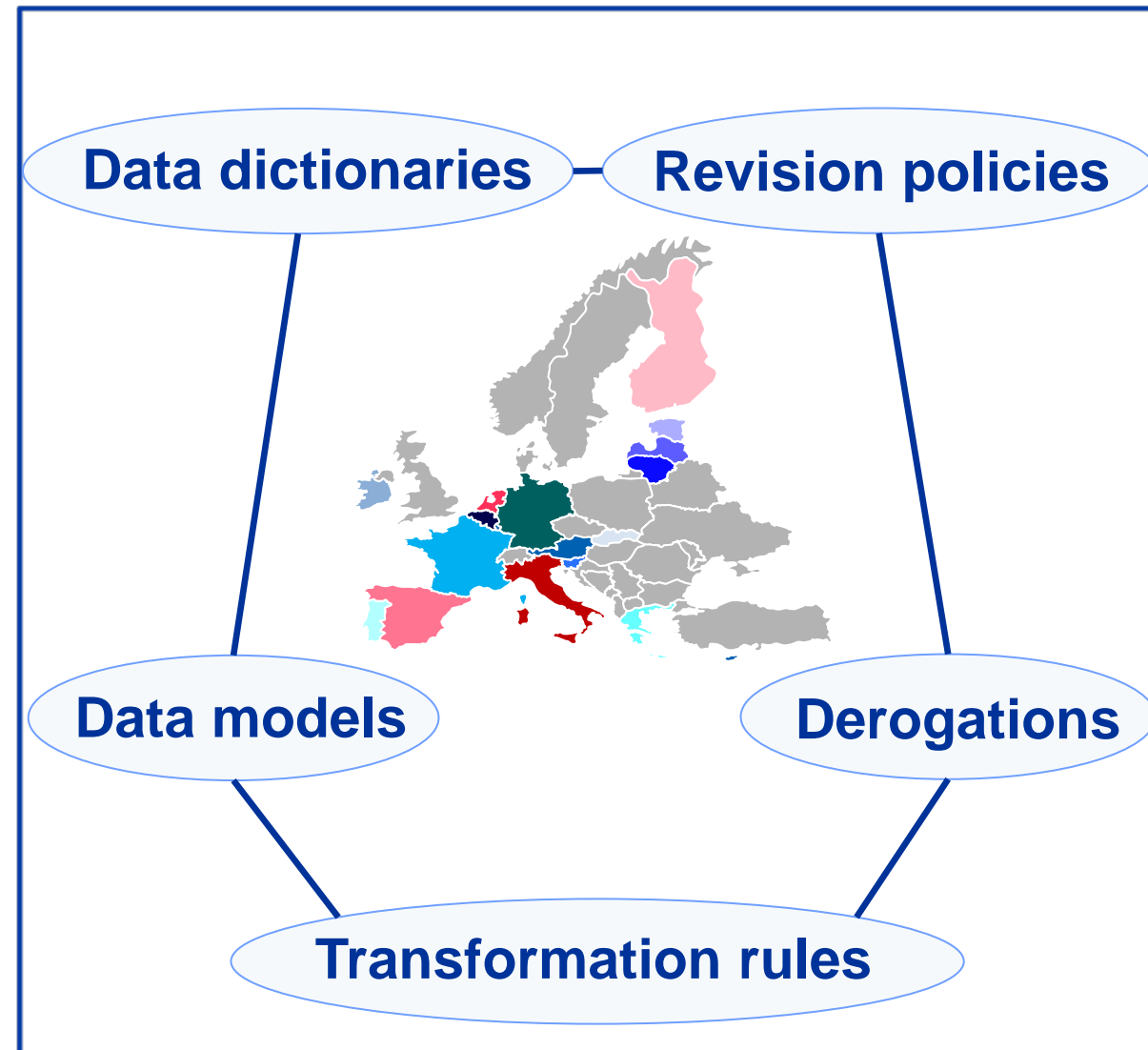
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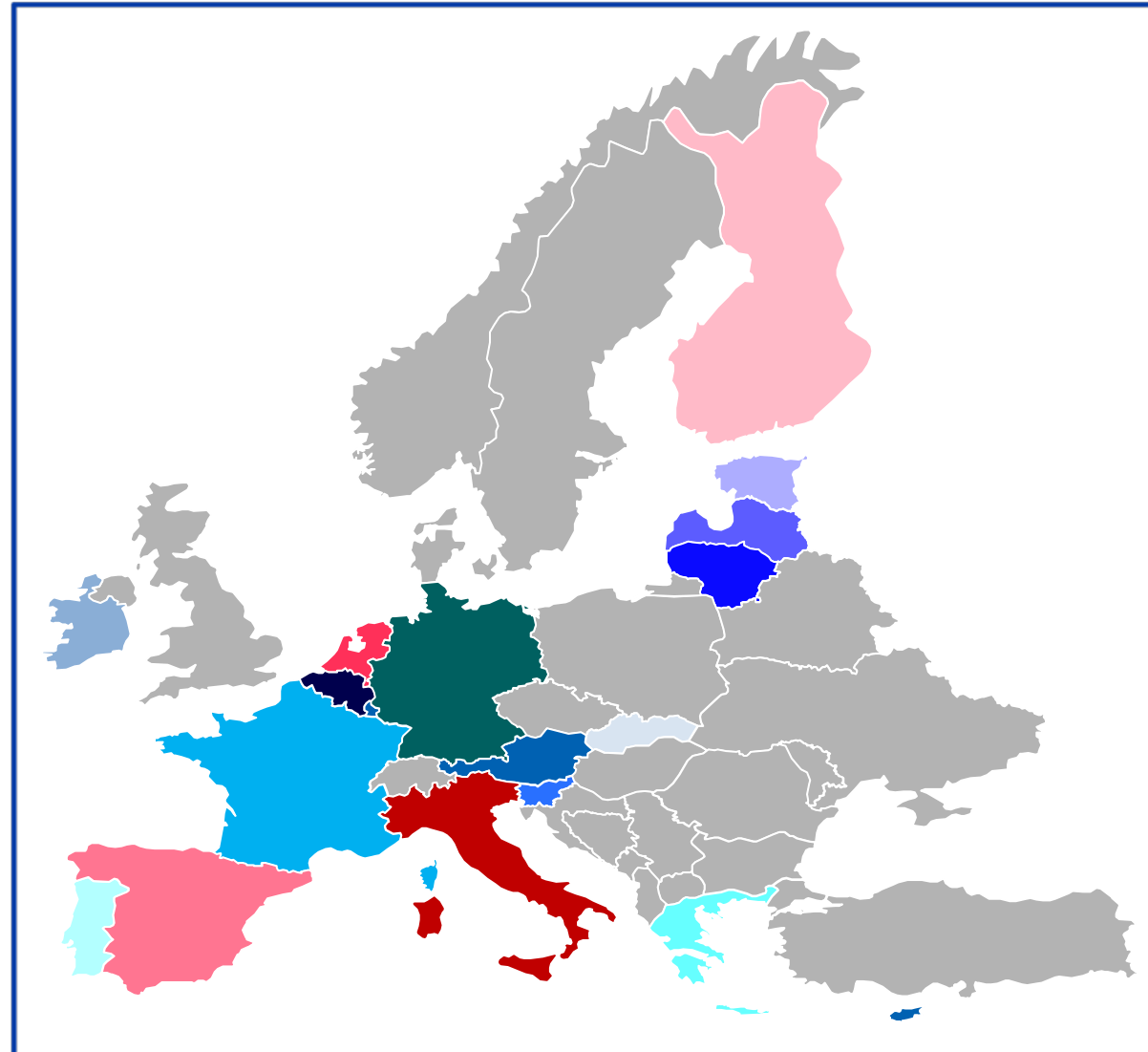
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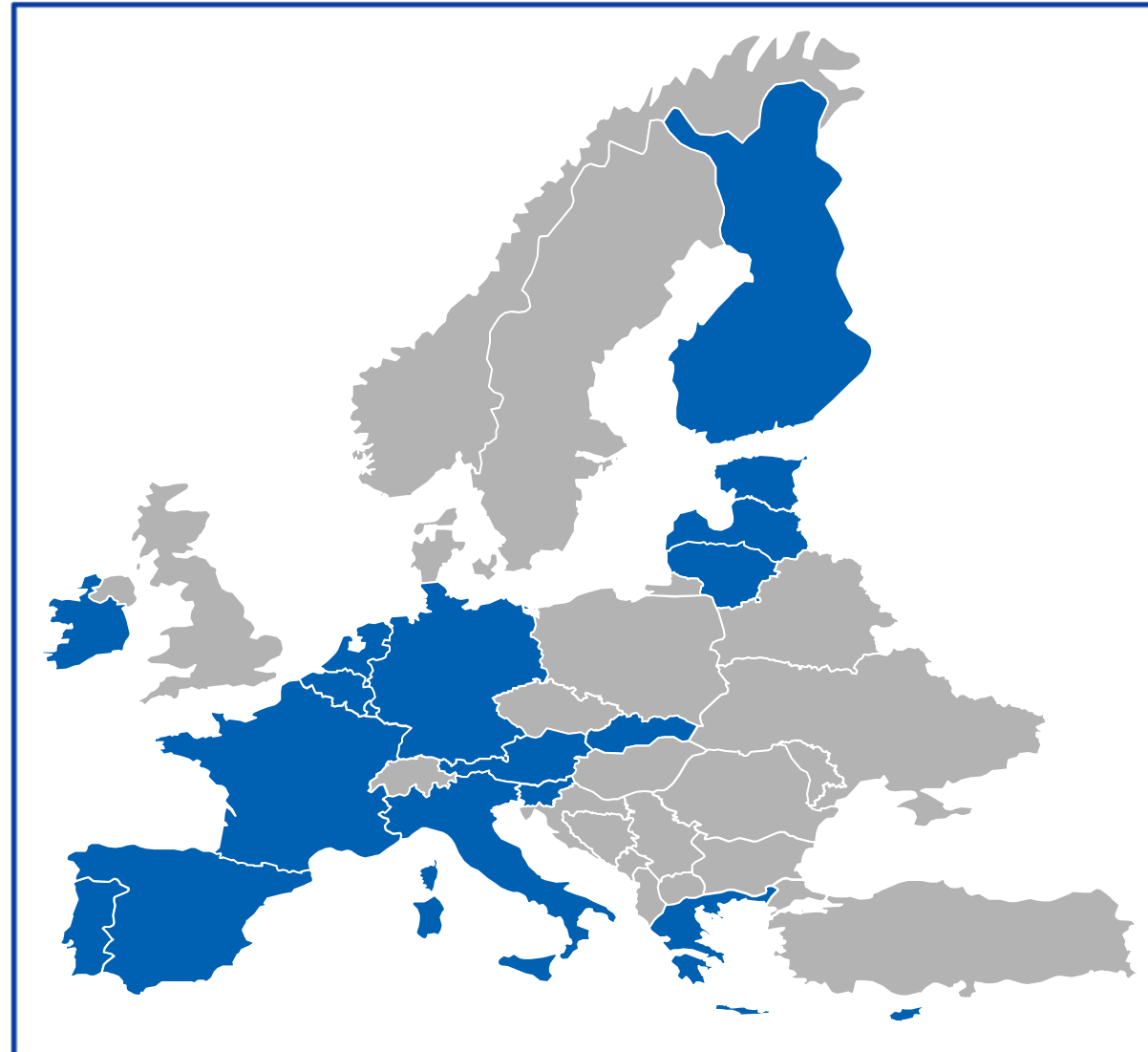
19 different national specifications



19 different implementations per framework

Standardisation via the IReF

IReF
collection
layer



ONE euro area

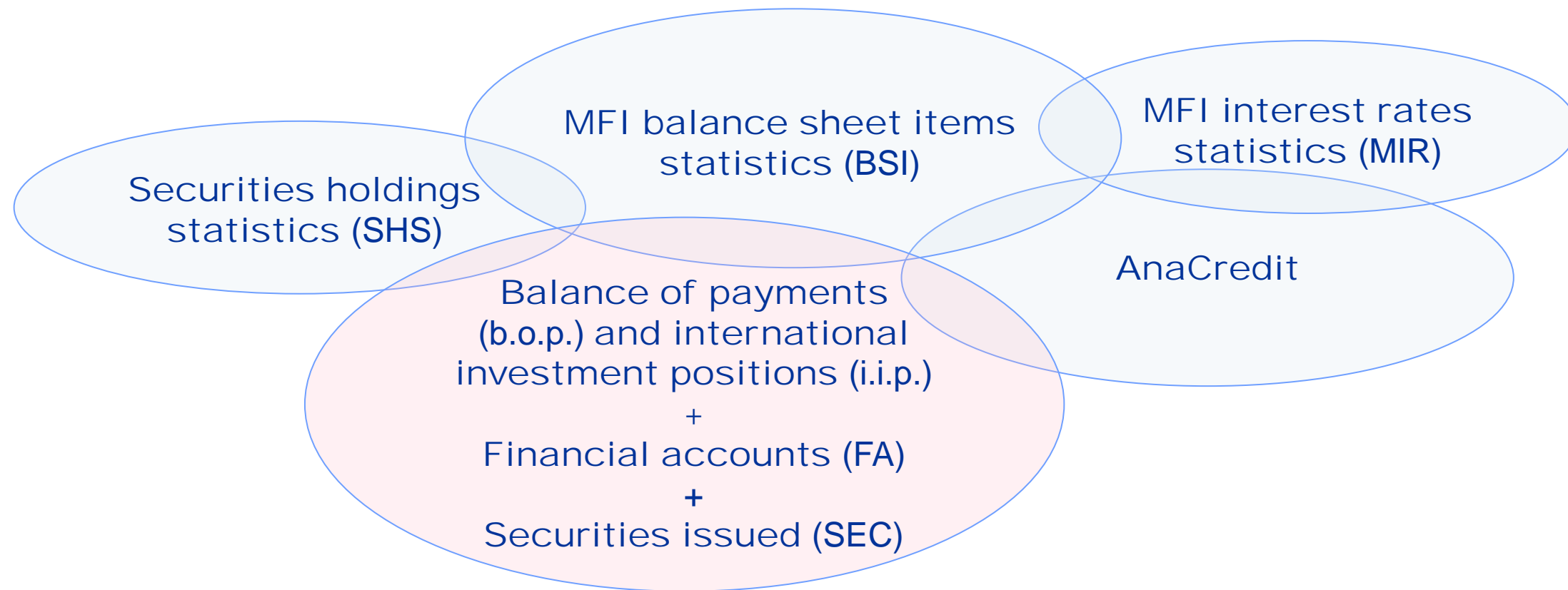


ONE directly
applicable regulation



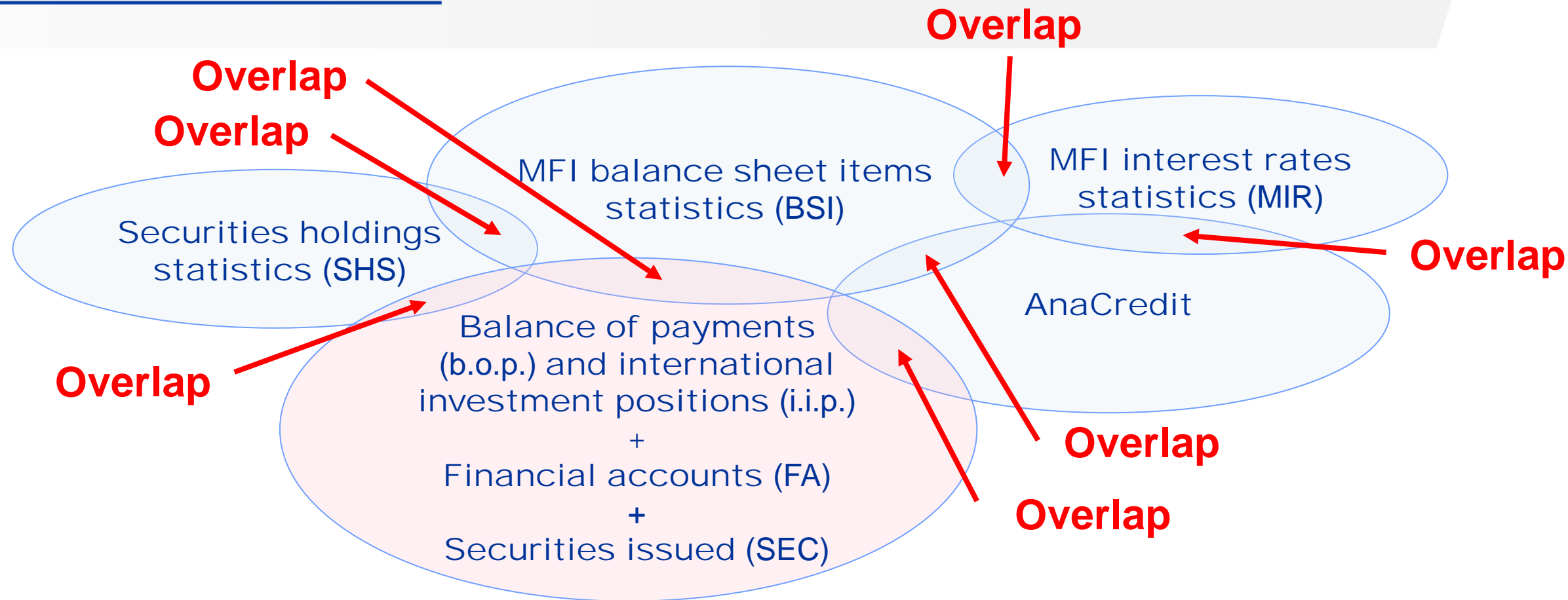
ONE largely
standardised
implementation

Datasets currently in the scope of the IReF



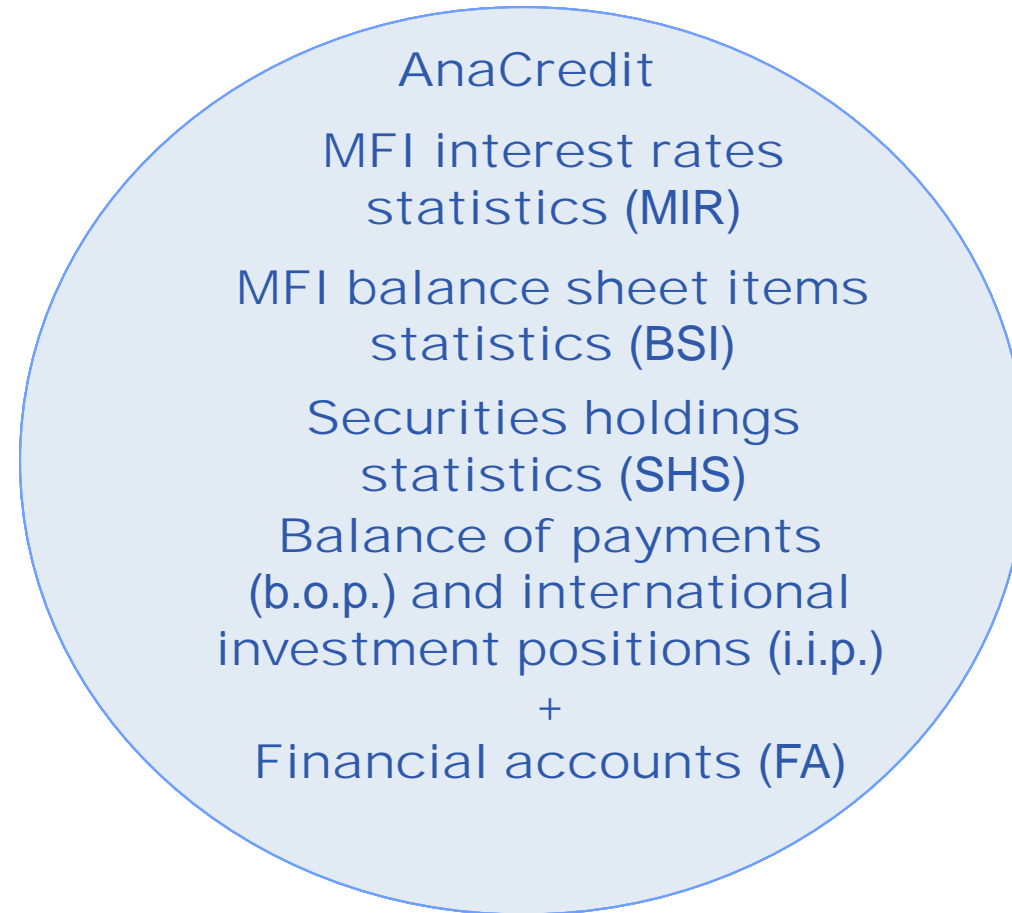
- Plus residency-based datasets from international organisations (BIS and IMF)

Datasets currently in the scope of the IReF



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Integration is the solution



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IReF

What is the IReF seeking to achieve?

Cross-country standardisation

Standardisation via the IReF

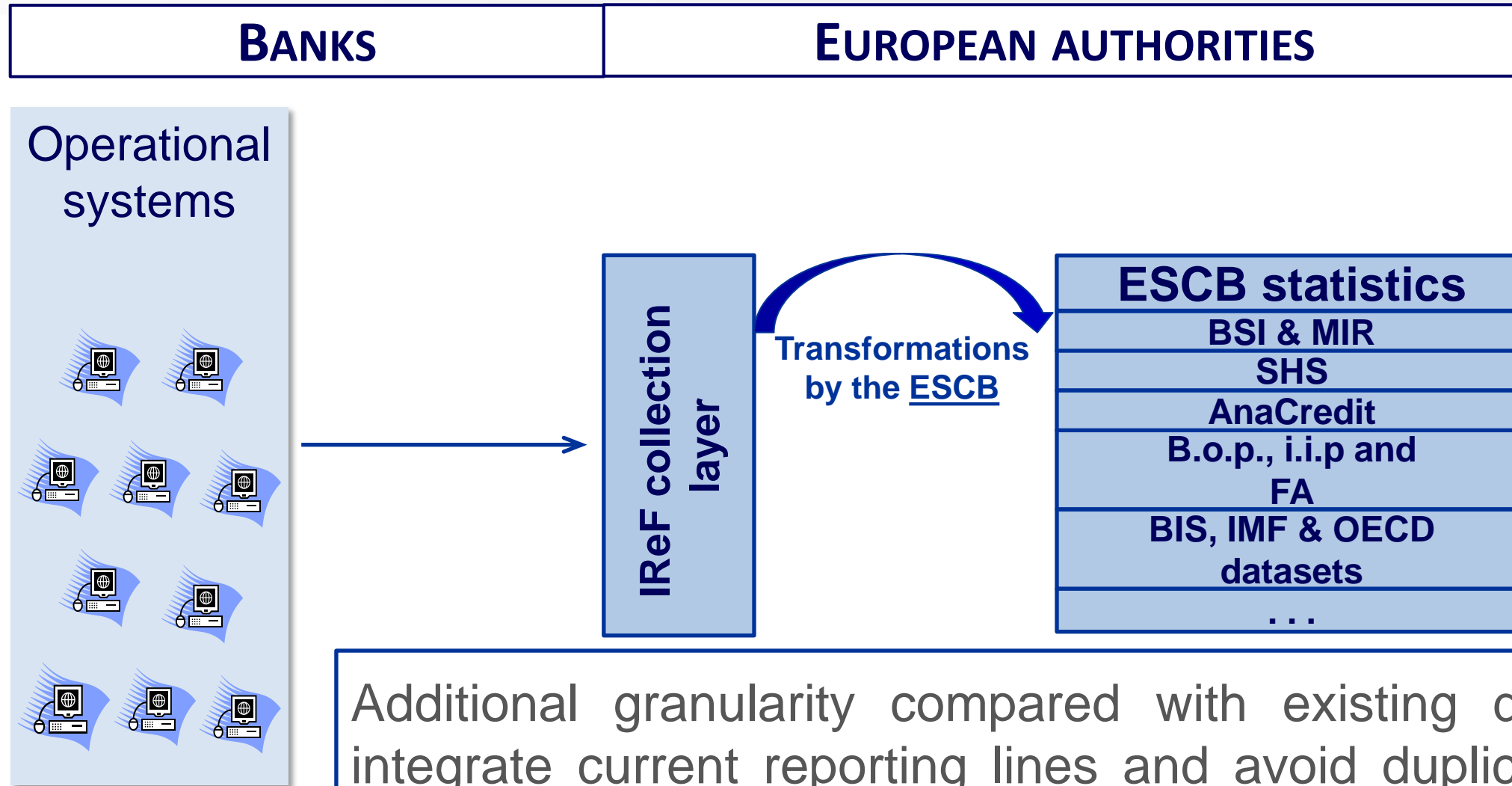


Redundancy-free reporting

Integration is the solution

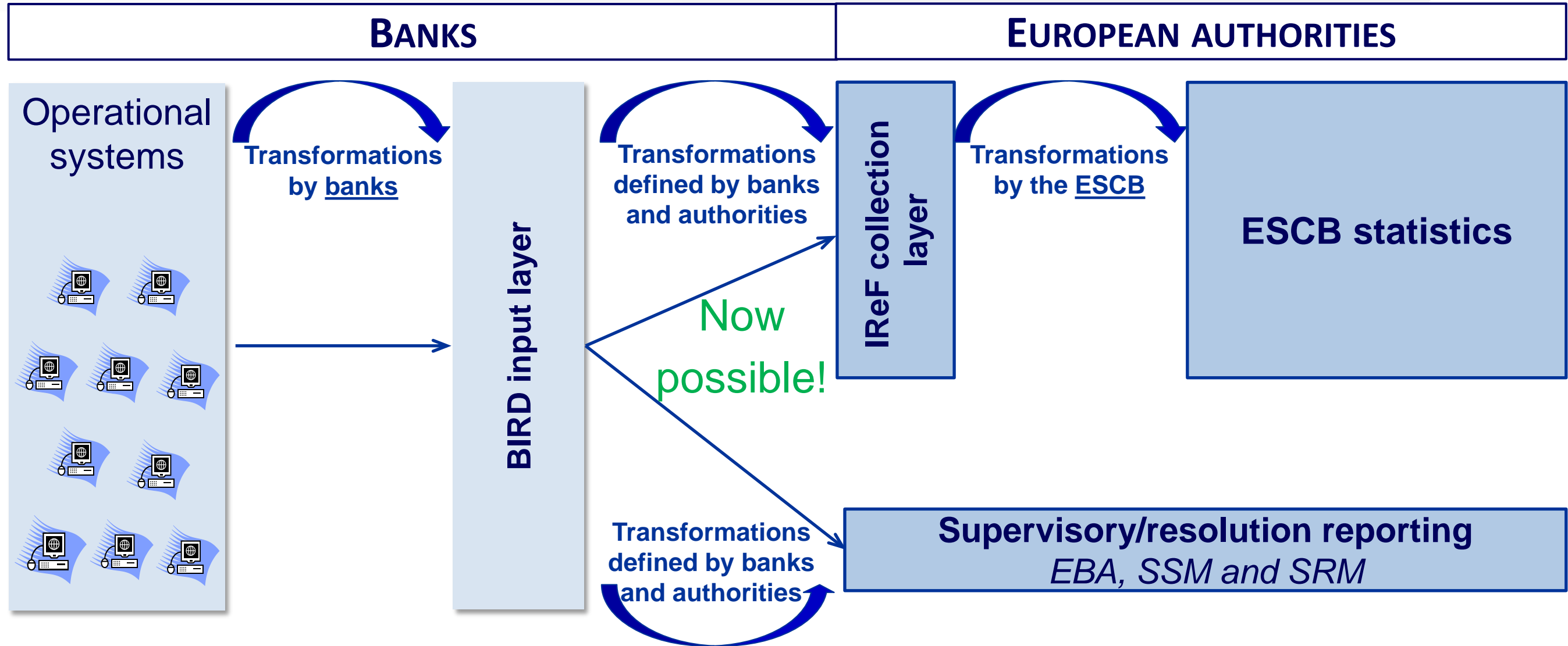


The future of reporting

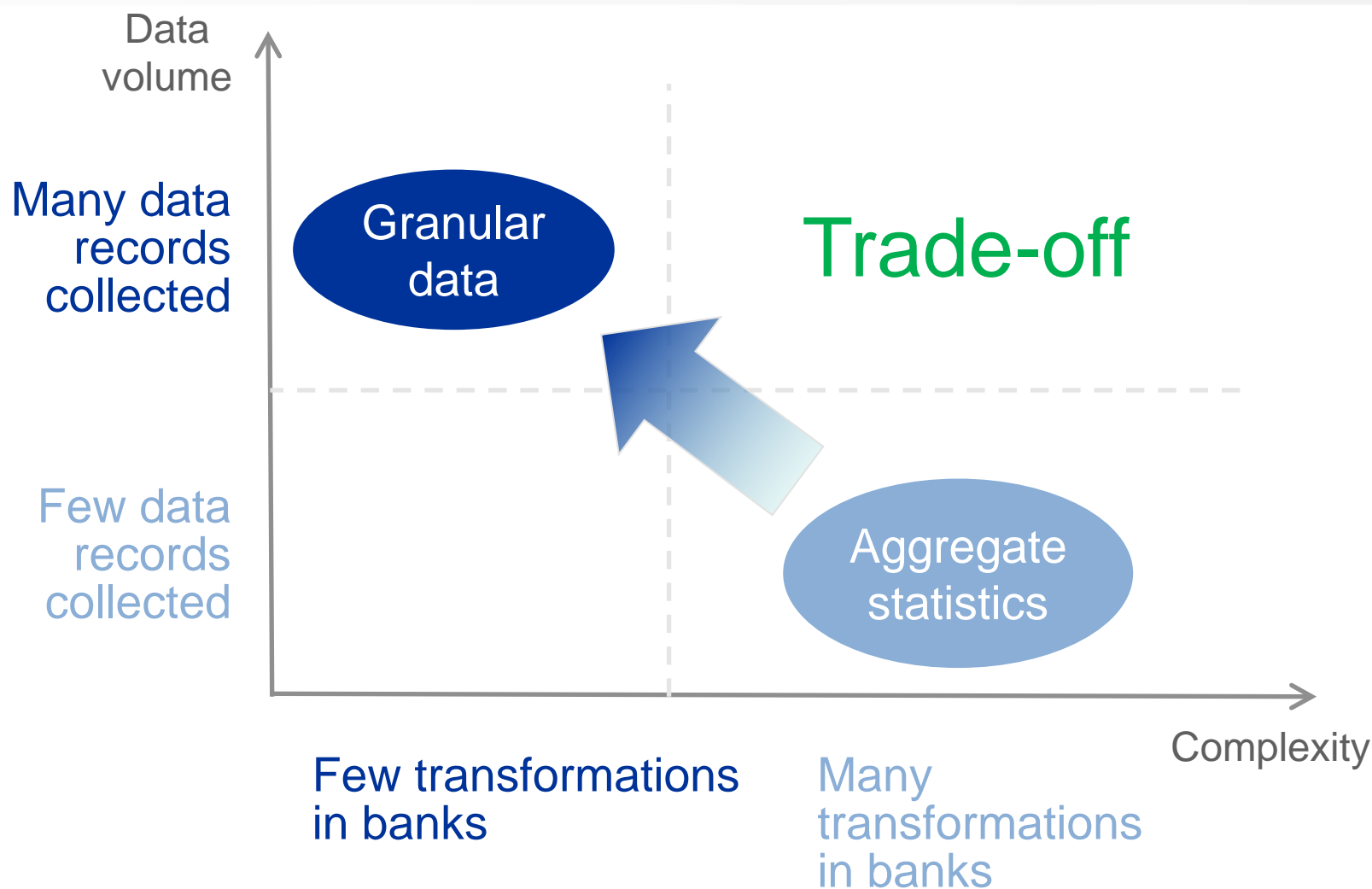


Additional granularity compared with existing datasets to integrate current reporting lines and avoid duplications and overlapping requirements

The future of reporting



From aggregated to granular data



A paradigm shift with clear advantages

- less classification and aggregation effort required from banks
- information requested is “closer to banks’ business logic”
- no more redundancies
- easier communication between authorities and reporting agents

Cost-benefit analysis

- Assesses the impact of the IReF on supply and demand, in close cooperation with the banking industry and other relevant stakeholders
- Adapts the features of the ESCB's merits and costs procedure
- Two steps:
 - a qualitative stock-taking (QST) questionnaire on the state-of-play across domains and countries **[2018]**
 - to help design scenarios on aspects of data collection and statistical production (e.g. reporting dates, data frequency, derogations/sampling, transactions)
 - a cost-benefit assessment (CBA) questionnaire
 - to explore preferences across the scenarios with a view to identifying the most suitable approach for the industry and the Eurosystem/ESCB

Outline

- 1 Background and main objective
- 2 Development of the draft scheme**
- 3 Cost-benefit assessment questionnaire

Basis for the draft

Guiding principles underpinning the development of the draft

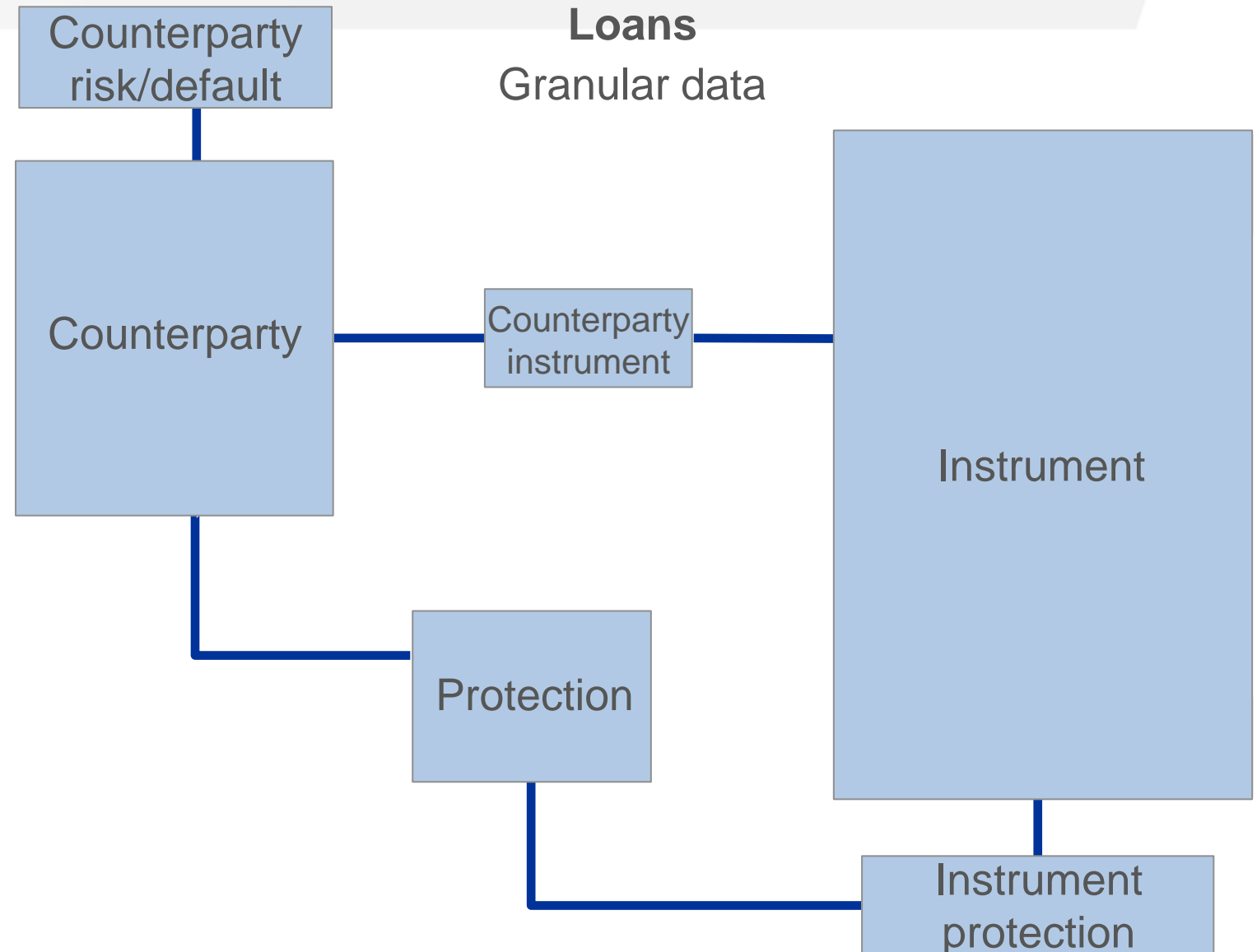
- Based mostly on majority responses, according to the QST results
- Redundancies avoided if possible
- **Standardised reporting dictionary** used (e.g. definitions and code lists)
 - link to the EBA feasibility report

Draft status

- Depicted as an entity relationship model (ERM) – “granular and aggregated data”
- Current draft represents a **baseline scenario** which does not indicate a preference
- Many design choices will be tested in the **CBA by offering alternative solutions**

The draft IReF scheme

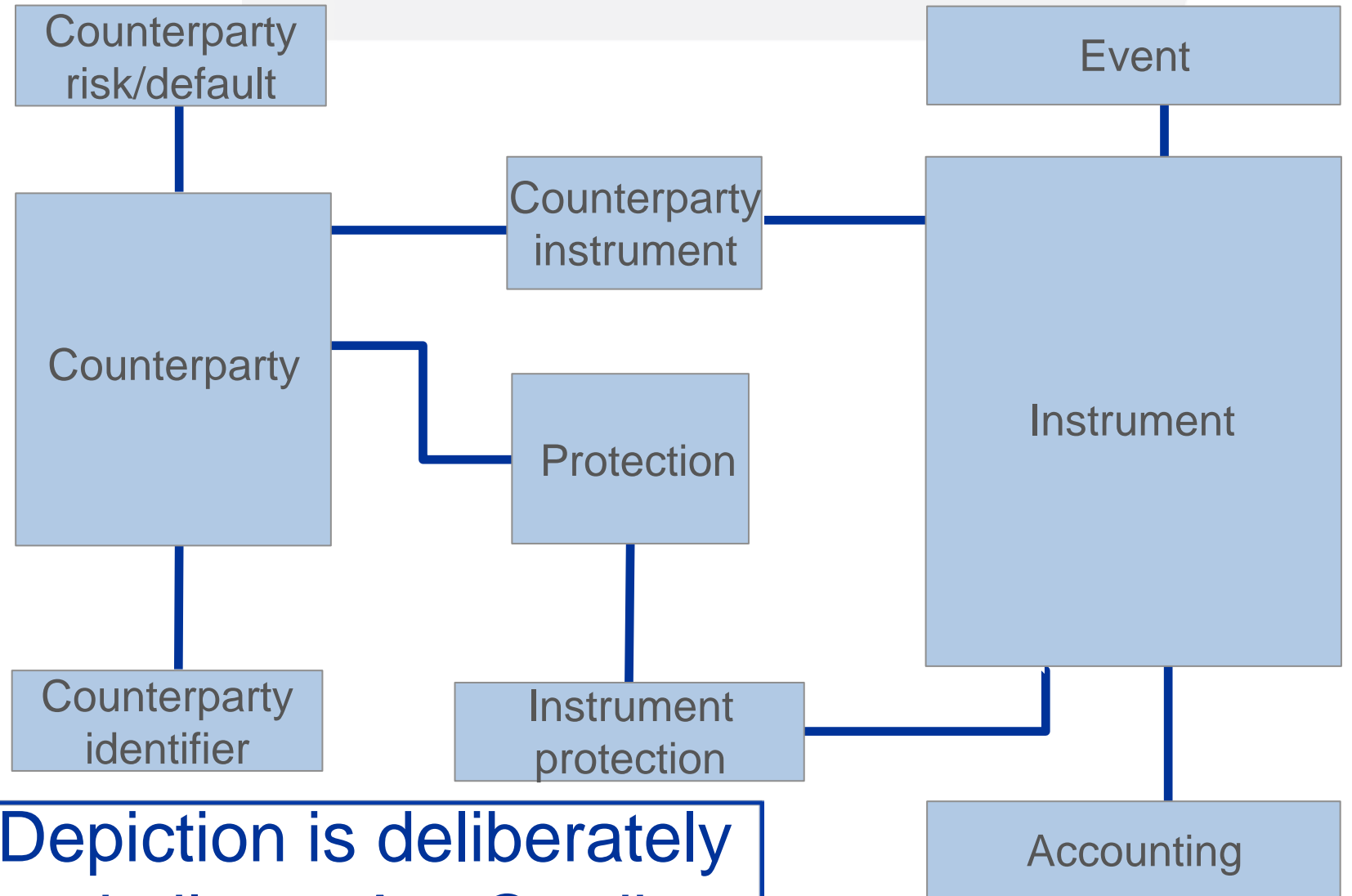
➤ AnaCredit ERM



The draft IReF scheme

➤ AnaCredit ERM

➤ IReF depiction



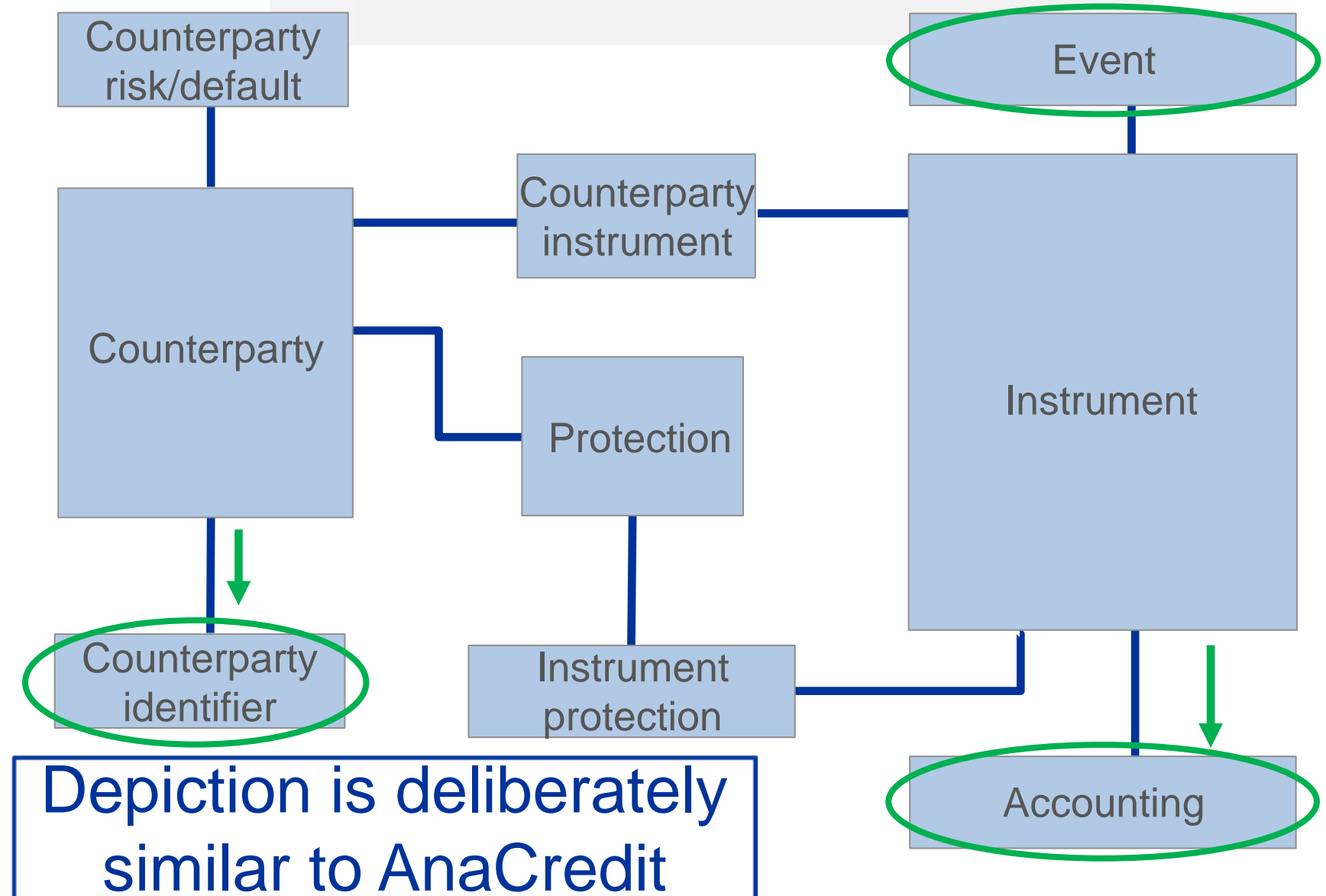
Depiction is deliberately similar to AnaCredit

The draft IReF scheme – structural changes

➤ AnaCredit ERM

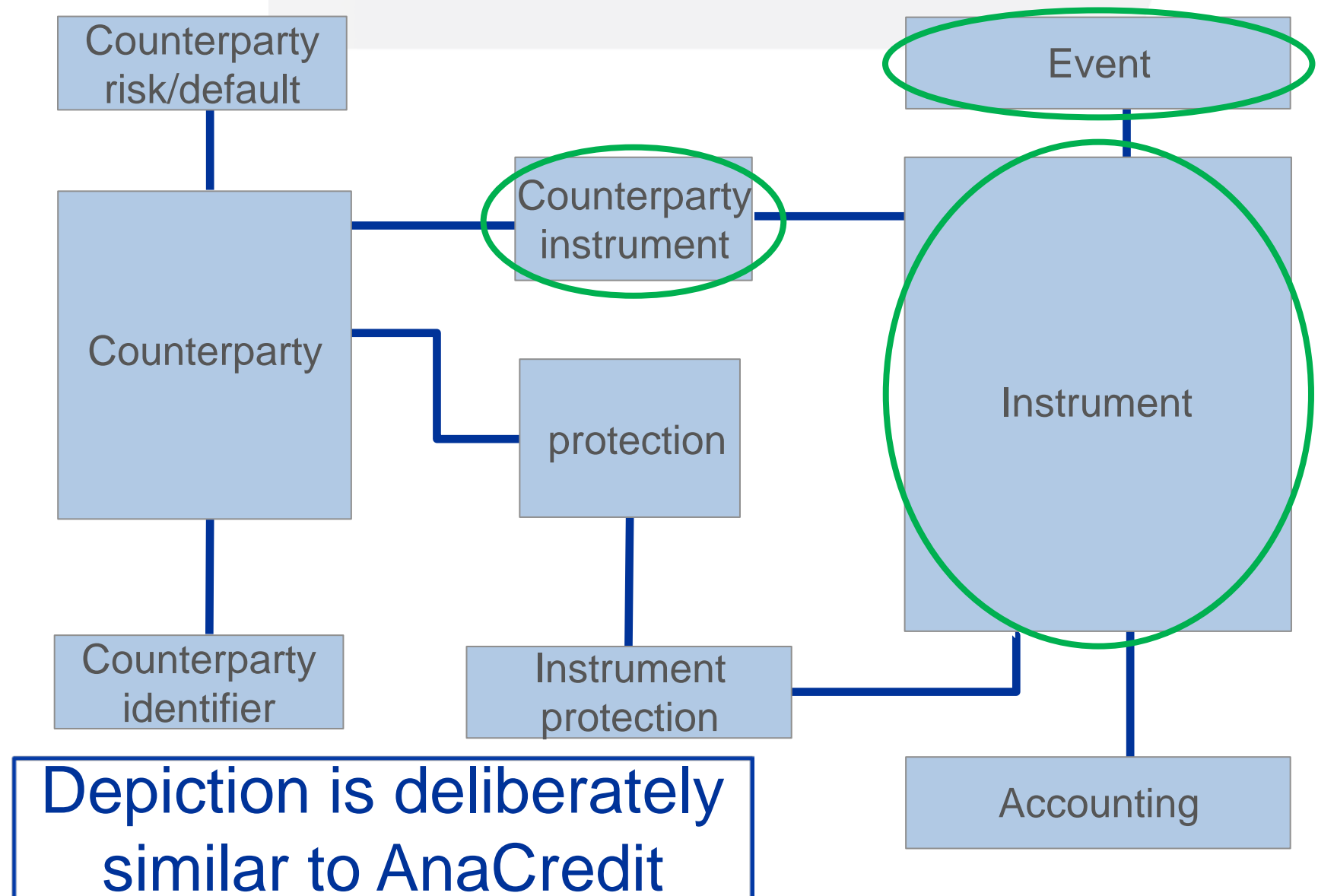
➤ IReF depiction

- Accounting table separate due to different granularity
- Counterparty identifier table allows for multiple identifiers
- Event table potentially collects mostly flow-related data



The draft IReF scheme – content-related changes

- No or few changes in the majority of tables
- Instrument: several new variables and measures
- Event (potentially): entirely new but includes, and in some cases replaces, content from the instrument table
- Counterparty instrument: limited additions to deal with securitisations and transfers



The draft IReF scheme

- Further additions only needed for the instrument table

- **Seems more than it is!**

- Several additions are relevant for securities only and relate to data currently already required

- Aggregated data requires some data to be reported differently in comparison with granular data (e.g. maturities)

INSTRUMENT
Reporting agent identifier
Observed agent identifier
Instrument/line ID
Contract identifier
ISIN code
Identifier value
Identifier type
Name of the instrument
Type of data
Type of instrument
Currency denomination of instruments
Interest rate reset frequency
Type of interest/coupon rate
Type of e-Money
Is transferable deposit
Is notified
Is redeemable at notice
Purpose
Residual maturity
Initial period of interest rate fixation
Original maturity
Period of notice
Asset securitisation type
Primary asset classification
Status of the security
Default status
Date of default status
Type of securitisation and transfer
Recognition
Forbearance status
Date of forbearance status
Date of renegotiation status
Renegotiation status
Type of accounting item
Inception date
Legal final maturity date
Settlement date
Trade date
Date of past due
Fiduciary instrument
Project finance loan
Exposure with recourse
Subordinated debt
Repayment rights
Syndicated contract
Type of market
Nominal capital guarantee level
Payment rank
MREL eligible
Is short position
Notional cash pooling
Coverage status of the instrument
Syndicated contract identifier
Commitment amount at inception
Fair value changes due to changes in credit risk before purchase
Interest/coupon rate
Arrears for the instrument
Outstanding nominal amount
Reclassification amount
Accrued interest
Off-balance sheet amount
Intermediate accumulated write-offs
Renegotiation amount
New business amount
Interest rate (ARR) (new business)
Interest rate (ARR) (renegotiation)
Annualised percentage rate of charge (APRC) (new business) HH only
Market value
Revaluation for changes in prices
Original nominal amount
Nominal value of a share
Units
Purchase price quoted in percentage
Purchase price quoted in units
Dividend amount in EUR



INSTRUMENT
ISIN code
Identifier value
Identifier type
Name of the instrument
Type of e-Money
Is transferable deposit
Is notified
Is redeemable at notice
Residual maturity
Original maturity
Period of notice
Asset securitisation type
Primary asset classification
Status of the security
Type of accounting item
Trade date
Syndicated contract
Type of market
Nominal capital guarantee level
Payment rank
MREL eligible
Is short position
Notional cash pooling
Coverage status of the instrument
Reclassification amount
Renegotiation amount
New business amount
Interest rate (ARR) (new business)
Interest rate (ARR) (renegotiation)
Annualised percentage rate of charge (APRC) (new business) HH only
Market value
Revaluation for changes in prices
Original nominal amount
Nominal value of a share
Units
Purchase price quoted in percentage
Purchase price quoted in units
Dividend amount in EUR

~45%

Derivable reports (ECB terminology):

- AnaCredit
- BSI
- MIR
- SHS
- SEC
- FA
- IMF-Requirements
- BoP
- IIP
-

There is potential for more!

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- 1 Background and main objective
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- 3 **Cost-benefit assessment questionnaire**

Cost-benefit assessment – information

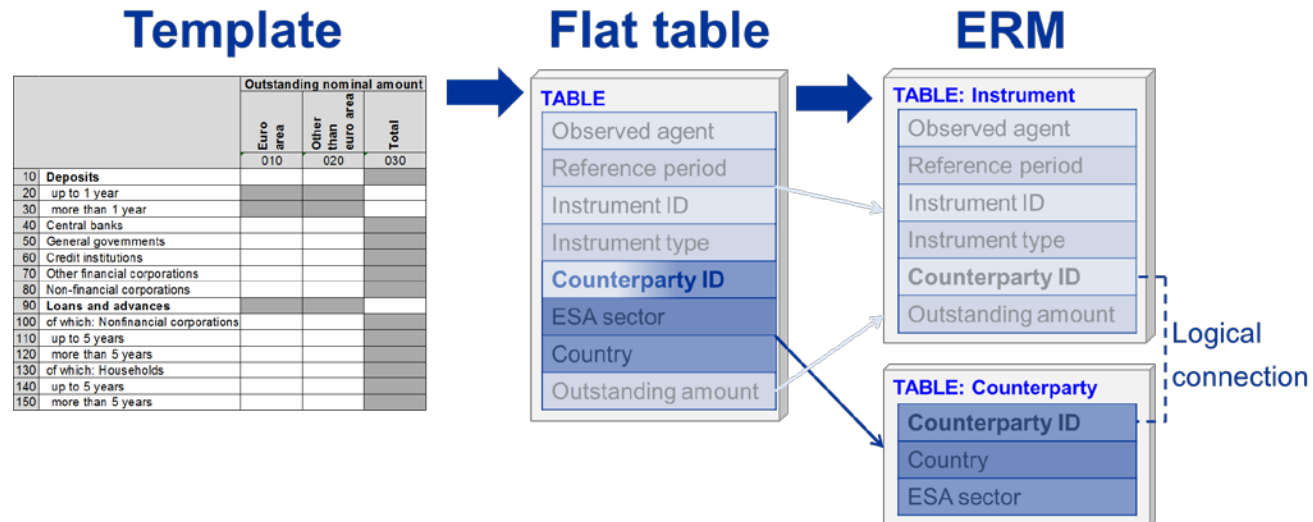
- Assessment of benefits and costs of the presented scenarios
 - baseline vs alternatives
- Stakeholders
 - banking industry
 - ESCB
 - reporting areas of NCBs and the ECB
 - compilers
 - users

Cost-benefit assessment – content

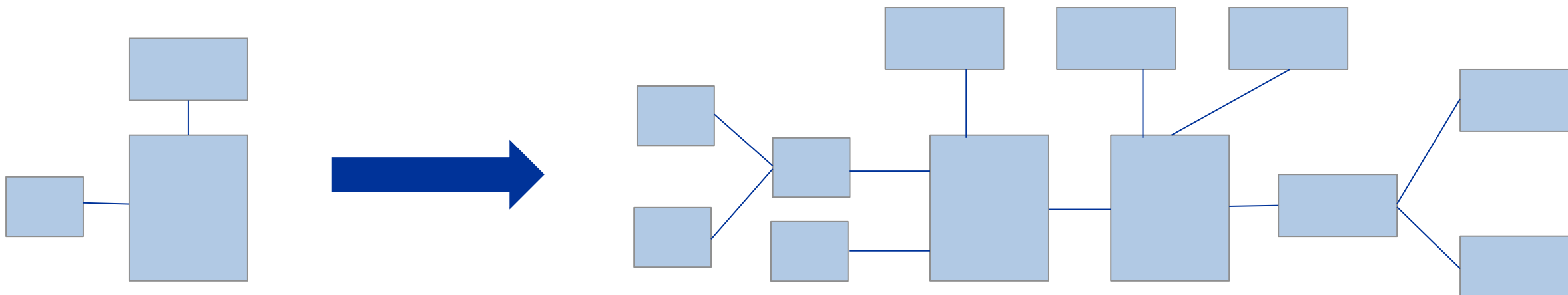
- High-level considerations
- IReF features arising from the integration of existing requirements
 - aspects related to the outcome of the QST, e.g.
 - dropping the AnaCredit €25,000 threshold, holdings of non-ISINs
 - collecting branch/observed agent data via the legal entity
 - Other proposals, e.g.
 - instrument-by-instrument collection of securities issued
 - approach to reference data for securities

Cost-benefit assessment – content

- Technical aspects
 - Structure of the reporting scheme

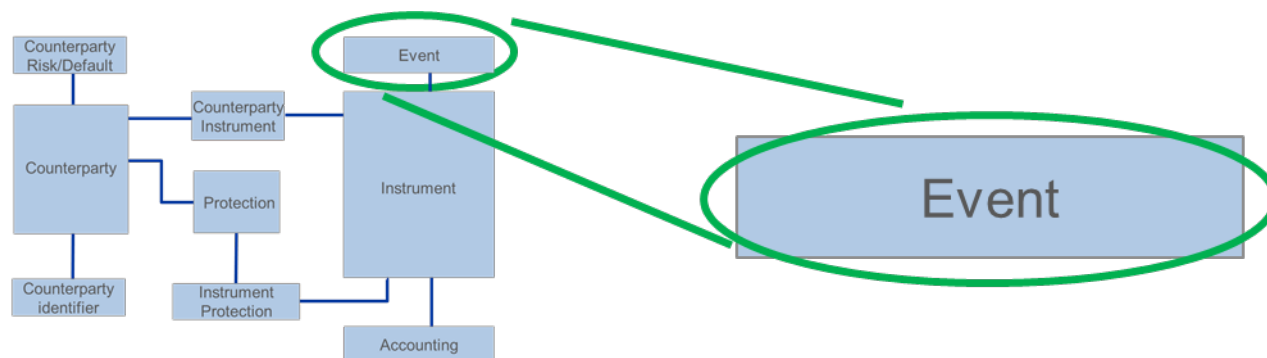


- Level of normalisation



Cost-benefit assessment – content

- Possible integration of requirements not arising from ECB regulations
 - content already required in several countries to some extent
- Collection of flow information on securities issued



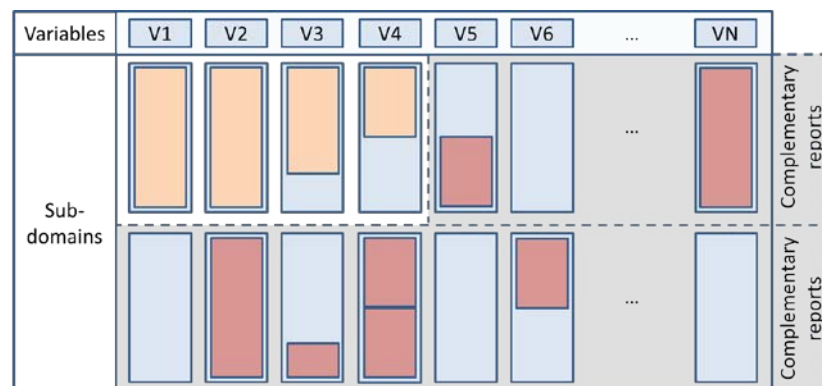
Fully related to the event table in the ERM

- Data requirements for derivatives

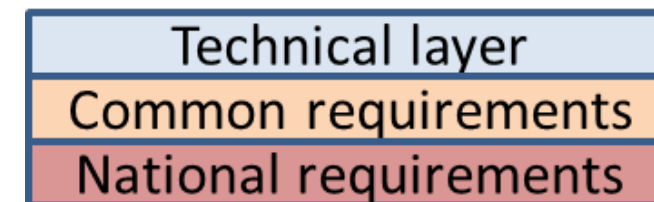
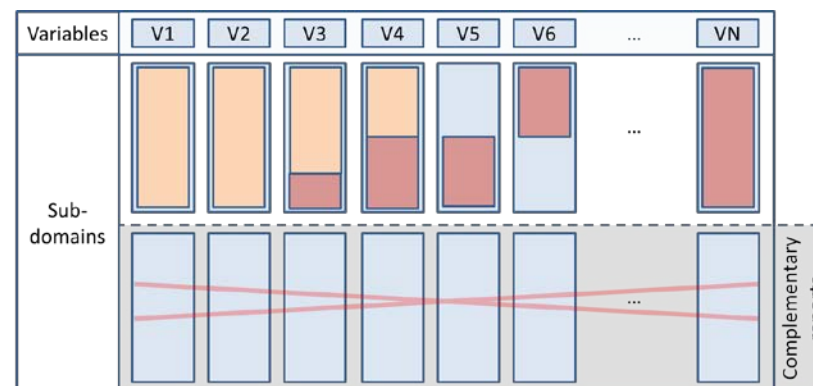
Cost-benefit assessment – content

- The technical integration of country-specific requirements (*important topic*)
 - Reduce country-specific requirements as much as possible
 - Common ESCB requirements will be included in the IReF itself
 - Remaining country-specific requirements will be modelled into an extended IReF technical layer

Scenario 1



Scenario 2



Cost-benefit assessment – content

- Additional features for the potential streamlining of IReF reporting
 - Reflected in the draft scheme, e.g.
 - accounting information
 - flow data on loans
 - Not reflected in the draft scheme, e.g.
 - introduction of a contract level
 - plurality of protection providers

Cost-benefit assessment – content

- Timeline of data transmission
 - Reporting schedules
- Revision policy
- Derogation scheme
 - Reporting requirements for small institutions
- Derivation and reporting of transactions
 - Approach to transactions by instrument (direct vs indirect reporting)
 - Reclassification adjustments (ad hoc vs regular)

Cost-benefit assessment – content

- Implementation aspects
 - Parallel phase
 - Reporting of high-level requirements
- Assessment of preferred scenario vs baseline

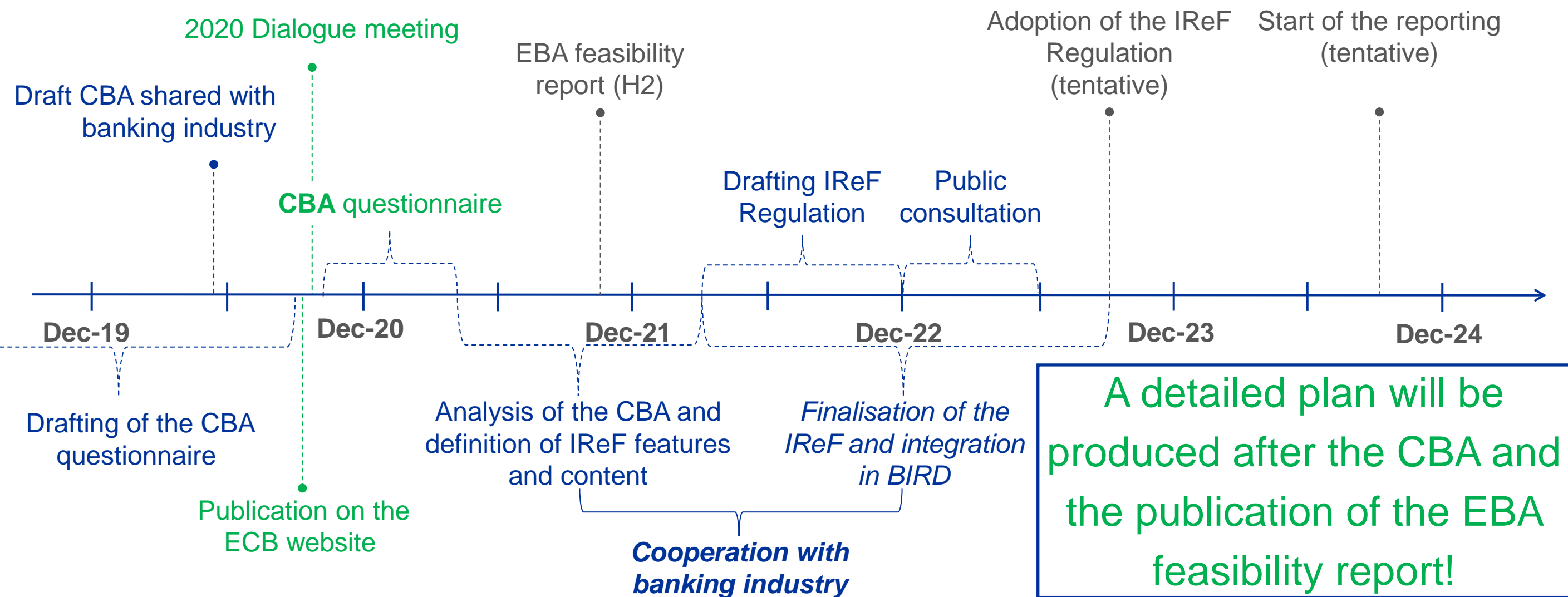
Conduct of the CBA (1/2)

- The survey will be conducted via the Epsilon online tool
- All banks are invited to participate
 - Institutions which have not yet been invited to participate by their domestic NCBs may express their interest with their NCB or, alternatively, contact the ECB at the following email address:
 - IReF_Support@ecb.europa.eu
- The extended deadline is 16 April 2021

Conduct of the CBA (2/2)

- Banks can participate in the CBA as a group
 - For example, an entity of the group can provide an answer for all euro area branches and subsidiaries of the group
 - Please contact your NCB to clarify how to take up such an option
- The ECB will organise **regular events** to support the banking industry
 - Q&A sessions
 - Dates will be communicated in due course

IReF timeline



IReF webpage




Relevant information can be found on the IReF webpage including, for example:

- *the CBA questionnaire*
- *the IReF draft scheme*

 **The Eurosystem Integrated Reporting Framework: an overview, November 2020**


 **Cost-benefit assessment questionnaire on the Integrated Reporting Framework, November 2020.**

 **Annex 1 – An overview of the draft requirements on the Integrated Reporting Framework, November 2020.**

 **Draft reporting scheme for deposit-taking corporations on the Integrated Reporting Framework, November 2020.**

 **Qualitative Stock-Taking on the Integrated Reporting Framework: Analysis of high-level considerations and high-priority technical aspects, February 2019.**

The IReF replaced the European Reporting Framework:

 **European Reporting Framework (ERF): Key facts and information, June 2015.**

Criteria for draft scheme	Drop-Down for selection	Description	ERM visualisation
Type of reporting agent	Credit institution	Credit institutions as defined in Article 4(1)(1) of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.	<pre> graph TD CRD[Counterparty risk/default] --- C[Counterparty] C --- PI[Protection-instrument] C --- ID[Counterparty identifier] C --- P[Protection] P --- I[Instrument] P --- PI2[Protection-instrument] I --- A[Accounting] P --- E[Event] </pre>
Type of reporting	Full	The baseline scenario for all banks for which no derogations are likely to be permitted. Larger banks should expect to be subject to these requirements.	
Structure item	Loans - granular	Loans to legal entities required at an instrument-by-instrument level together with related protection and counterpart information.	
Frequency/deadline	Monthly - 10-12 working days	To be provided monthly within 10-12 working days.	
MIR reporter	Yes	The reporting/observed agent has to provide data on interest rates on existing loans and deposits as well as on new business (this is, in terms of content, similar to the MIR regulation), for the following counterparty institutional sector: households and non-financial corporations .	
Useful information	For "Loans – granular" the "Counterparty" table includes only legal entities. The "Event" table is not based on current ECB requirements and its possible inclusion depends on the CBA results.		

Counterparty (Link/Menu)
Counterparty
Counterparty (if Counterparty Link ID)
Event
Protection

Individual Tables

Counterparty (instrument)	
Reporting agent identifier	Instrument
Observed agent identifier	Observed agent identifier
Counterparty (if Counterparty Link ID)	Counterparty (if Counterparty Link ID)
Counterparty name	Counterparty name
Legal name	Legal name
Country code	Country code
Legal form	Legal form
Reporting agent	Reporting agent
Instrumented amount	Instrumented amount
Instrumented amount by a period	Instrumented amount by a period
Instrumented amount	Instrumented amount
Instrumented amount	Instrumented amount
Observed agent identifier	Observed agent identifier
Observed agent identifier	Observed agent identifier

Instrument	
Reporting agent identifier	Reporting agent identifier
Observed agent identifier	Observed agent identifier
Counterparty (if Counterparty Link ID)	Counterparty (if Counterparty Link ID)
Counterparty name	Counterparty name
Legal name	Legal name
Country code	Country code
Legal form	Legal form
Reporting agent	Reporting agent
Instrumented amount	Instrumented amount
Instrumented amount by a period	Instrumented amount by a period
Instrumented amount	Instrumented amount
Instrumented amount	Instrumented amount
Observed agent identifier	Observed agent identifier
Observed agent identifier	Observed agent identifier

Event	
Reporting agent identifier	Reporting agent identifier
Observed agent identifier	Observed agent identifier
Counterparty (if Counterparty Link ID)	Counterparty (if Counterparty Link ID)
Counterparty name	Counterparty name
Legal name	Legal name
Country code	Country code
Legal form	Legal form
Reporting agent	Reporting agent
Instrumented amount	Instrumented amount
Instrumented amount by a period	Instrumented amount by a period
Instrumented amount	Instrumented amount
Instrumented amount	Instrumented amount
Observed agent identifier	Observed agent identifier
Observed agent identifier	Observed agent identifier

Counterparty
Reporting agent identifier
Counterparty (if Counterparty Link ID)
Counterparty name
Legal name
Country code
Legal form
Reporting agent
Instrumented amount
Instrumented amount by a period
Instrumented amount
Instrumented amount
Observed agent identifier
Observed agent identifier

Footnotes

- The following rules should be reported: "Credit", "Debtor", "Servicer", "Transfer receiver" and "Transfer originator".
- Reclassification adjustments are only to be reported if they are not related to the reclassification of counterparties and of assets and liabilities. Included, for example, are reclassifications due to mergers of the reporting agents and reporting entities.
- To be available for counterparties resident in a reporting Member State for all roles.
- To be available for the reporting agent and the observed agent.
- To be reported for the event types "Redemption" and "Interest Coupon".
- For event types, only "Redemption" and "Interest Coupon" should be reported.
- Required only for loans with a debtor which has the institutional sector non-financial corporations or non-profit organisations serving households.

Counterparty identifier
Reporting agent identifier
Counterparty (if Counterparty Link ID)
Counterparty name
Legal name
Country code
Legal form
Reporting agent
Instrumented amount
Instrumented amount by a period
Instrumented amount
Instrumented amount
Observed agent identifier
Observed agent identifier

Thank you!

