Towards European integrated reporting:
An Introduction and outlook

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21 June 2022

Dialogue with the banking industry on ESCB statistics
European integrated reporting

Major achievements by end 2021:

- EBA Feasibility Study published
- Supervisory data Strategy published by the EC
- Launch of IReF program i.e. ESCB harmonised statistical reporting
- Re-launch of the BIRD process

Close collaboration between authorities (EBA, SRB, EC and the ESCB)

- The publication of the above corner stones to European integrated reporting has been also the start for closer collaboration between the authorities

Initial priority

- Development of common data model and data dictionary
- Governance of integrate reporting
1. Follow-up on the EBA feasibility study

<table>
<thead>
<tr>
<th>DATA DICTIONARY</th>
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<tr>
<td>• Integrate business glossary, business concepts, validation and transformation rules</td>
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<td>• Define a common data model</td>
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<td>• Define unique data exchange formats</td>
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<tr>
<th>CENTRAL DATA COLLECTION POINT</th>
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<tr>
<td>• Increase the efficiency of the data collection process</td>
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<td>• Promote data sharing and reuse of collected data</td>
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<td>• Uniformly define sets of reporting rules and align processes</td>
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<th>GOVERNANCE</th>
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<td>• Foster collaboration among authorities for an efficient implementation and development of the integrated system</td>
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<td>• Enhance coordination of authorities along the reporting process chain</td>
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<td>• Define a legal framework for data sharing</td>
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2. An ECB strategy for a common data dictionary

- **Agree on a common Data Dictionary across statistical, resolution and prudential purposes from the beginning to prevent undue changeover costs:**
  - Data Point Model (DPM Refit) already used by EBA to be assessed for IReF reporting
  - To investigate if it can also fulfil ECB-ESCB internal requirements

- **Technical discussions between ECB and EBA in the Informal Coordination Group (ICG)**
  - Assess the ability of DPM Refit to serve as the dictionary to report IReF
    - Devise if new functionality will be needed in DPM Refit
    - Run a proof of concept (clarify, how the PoC ensures its compatibility to alternative collaboration models)
  - Make progress on semantic integration
    - ECB present a first use case for EBA to examine statistical data with a supervisory perspective
2. The ECB tested strategy for a common data dictionary
To position IReF in a context of existing standards and data models

Bank Integrated Reporting Dictionary
Non-legislated logical data models to be used in bank’s information systems to standardize regulatory reporting (as BIRD)

Integrated Reporting Framework
The legislated reporting: data definition, their relationships, validation rules

Single Metadata Management
The ESCB internal metadata management system based on Single Data Dictionary (SDD), SDMX, DPM Refit

Statistical Data and Metadata eXchange
The standard promoted by international organization for modeling statistical information

The ECB tested strategy for a common data dictionary

Data Point Model (DPM) Refit
data dictionary used by EBA and EIOPA for prudential reporting
3. Technical requirements extracted from ECB analysis

Outcome of the Cost Benefit Analysis for IReF

- Rejection of template-based approach for the IReF by all stakeholders -> Preference for Entity Relation Model (ERM) (or flat table)
- Overwhelming support to use the same model both for granular and aggregated data
- The ERM for implementation should not be fully normalised, as this could increase implementation and operational costs

Requirements identified in the BIRD Steering Group

- Validation rules embedded in the reporting model
- Scalable Data Model from granular to aggregated data
- Fully documented transformation rules from granular to aggregated level

Wish expressed by the banks:

- Legislated Data Dictionary for the IReF regulatory reporting developed hand-in-hand with the non-legislated Logical Data Model developed for BIRD
4. Setting a common Governance – tentative

**Institutional settings**

Informal Coordination Group (ICG) 2022
ECB-EBA-SRB-EC

Consultation of NCA and NCB through EBA and ECB substructures

**To-Dos**

Two workshops:
- With authorities (incl. national)
- With the industry

**Informal Joint Reporting Committee (iJRC)**
Commission prepares regulation 2023 – 2024
ECB-EBA-SRB-EC
All NCBs and NCA

iJRC beginning to work:
- Governing the common data dictionary
- Providing consultation on new reporting
- Setting-up a structure to involve the industry

**Joint Reporting Committee (JRC)**
European regulation 2025
ECB-EBA-SRB-EC
All NCBs and NCA

The JRC in action:
- Setting the executive board
- Setting the secretariat
5. Involvement of the Industry

Dedicated Workshop with authorities and industry
- Foreseen for autumn 2022
- Envisaged focus on data dictionaries

Continued involvement via BIRD
- IReF working groups such as the CBA assessment
- IReF data model/schema developed together with/by BIRD
- Further involvement planned depending on the progress and subject envisaged

Ensure preparedness to the IReF
- While saving cost in the long run integrated reporting require initial investment
## European Integrated Reporting: further agenda items

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<th>Presenter</th>
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<td>Towards European Integrated reporting</td>
<td>ECB</td>
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<td>2.2</td>
<td>The ESCB's Integrated Reporting Framework (IReF)</td>
<td>ECB</td>
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<td>2.3</td>
<td>Way forward for a more Integrated Reporting (post-feasibility study)</td>
<td>EBA</td>
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<td>2.4</td>
<td>Banks’ Integrated Reporting Dictionary (BIRD): report from the BIRD Steering Group</td>
<td>BIRD co-chairs</td>
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<td>2.5</td>
<td>The view by the industry</td>
<td>EBF</td>
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<td>2.6</td>
<td>Exchange of views</td>
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Annex: The ECB tested strategy for a common data dictionary reporting

Operational systems → Logical Data Models (as BIRD) → Non legislated logical data models (as BIRD) → Transformations by banks

Logical Data Models (as BIRD) → 1-to-1 → ESCB

ESCB
- BSI
- MIR
- SHSS
- AnaCredit
- B.o.P., I.I.P & financial accounts
- BIS, IMF & OECD Datasets

Transformations by the ESCB → Internal data management

European authorities

At a minimum → Supervisory/resolution reporting
- EBA, SSM and SRM