The ESCB’s Integrated Reporting Framework

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21 June 2022

Dialogue with the banking industry on ESCB statistics
1. Introduction
2. The IReF cost-benefit analysis
3. The launch of the IReF Programme
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1. A changing context

To allow for a quick start of the European statistical collection, NCBs were given the possibility to collect the requirements arising from ECB statistical regulations through their well-established national reporting frameworks. This led to heterogeneous national approaches, e.g. in terms of data models, exchange formats, timelines.

In addition, at European level the reporting obligations were progressively specified in a number of subsequent legal acts, with possible overlaps and heterogeneous data models.

Large sets of (statistical) country-specific requirements have gradually enriched these national collection frameworks.

NCBs defined reporting requirements … individually!

Reporting overlaps existed … to various degrees!
1. New opportunities

NCBs defined reporting requirements

Reporting overlaps existed

... One regulation
... Redundancy-free
1. The future of reporting (1) – Common IReF features

- Common (entity-relationship) model
- Same dictionary “standardisation”
  - In principle, common with prudential and resolution requirements
- Same reporting schedules
- Additional granularity compared to existing datasets
  - Integrate existing reporting lines and avoid duplications
1. The future of reporting (2) – The bigger picture

**Banks**

- Operational systems
  - Transformations by banks

**Solutions as BIRD**

- Transformations defined by banks and authorities

**European Authorities**

- Harmonised transformations by the ESCB

- ESCB statistics

- Prudential/resolution reporting
  - EBA, SSM and SRM

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**Redundancy-free input & full data lineage**

**Common data dictionary across domains**
1. IReF consolidates existing ESCB statistical reporting

In line with the industry demands:

- by using a common data dictionary with all the data definitions;
- by enhancing reusability and interoperability of the data;
- by consolidating all ESCB statistical requirements for banks in a unique legal act applicable across the euro area (might be adopted by other EU Member States)
1. Introduction

2. The IReF cost-benefit analysis

3. The launch of the IReF Programme
2. The IReF cost-benefit analysis

Assess impact of the IReF on supply and demand side

- In strict cooperation with the banking industry and other relevant stakeholders

Adapts the features of ESCB merits and costs procedure

- **Qualitative Stock-Taking** on the state-of-play across domains and countries
  - to help design scenarios on data collection and statistical production aspects (e.g., reporting dates, data frequency, derogations/sampling, transactions)
- **Cost-Benefit Assessment** (CBA)
  - to explore preferences across the scenarios to identify the optimal approach that would best suit the industry and Eurosystem/ESCB
2. Main outcome of the CBA

- Strong support for the IReF by the banking industry and other relevant stakeholders.
- By bank type: support is highest among members of cross-border groups.
- By bank size: support is highest among large and mid-sized banks, but benefits outweigh costs also for small banks.
- Eurosystem-wide derogations will also mitigate costs for small institutions.
Agenda

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3. The IReF Programme

Based on the wide support for the initiative, in December 2021 the GovC approved:

- The launch of the design phase (business) of the IReF Programme, with a stepwise implementation in the medium term
- The publication of high-level CBA results and the ESCB medium-term strategy

The IReF Programme would consist of several activities

- E.g. new business organisation through the ESCB, definition of the IReF content, reflection upon IT infrastructure solutions, dependencies on reference information

Dedicated ECB Press release on 17 December 2021
3. Business (non-IT) Design Phase Objectives

- **Defining the IReF reporting requirements**
  - Input from the cost-benefit assessment
  - Treatment of national statistical requirements
  - Preparatory work for establishing a legal framework

- **Business organisation of the ESCB Statistics function**
  - Collection layer
    - A standardised Eurosystem statistical data collection from banks
3. Identifying the features of the IReF reporting

Continue analysing the CBA results

- Identify for each characteristic of the reporting (e.g. content, proportionality, implementation aspects) the scenarios that would best suit the industry and Eurosystem/ESCB
- Publication of results from the banking industry on ECB website in late summer 2022

Complementary assessment in second half of 2022 [tentative]

- address additional topics of relevance for the IReF
  e.g. additional gaps that have been identified, integration of group module of Securities Holdings Statistics, inclusion in the IReF of national requirements that are ‘common’ across countries

Matching of benefits and costs will start in Q4 2022

- Select the scenarios to be implemented in the IReF Regulation
- Define the IReF reporting scheme
3. The broad envisaged timeline

- Analysis of CBA results
- Matching of benefits and costs
- Complementary CBA
- Drafting IReF Regulation
- IReF Regulation Public Consultation involving Banking industry
- Non-IT design phase
- Non-IT investigation phase
- IT investigation phase
- IT implementation phase

Timeline:
- Jul-21: Start of reporting
- Jan-21: Analysis of CBA results
- Jan-22: Matching of benefits and costs
- Jan-23: Complementary CBA
- Jan-24: Drafting IReF Regulation
- Jan-25: IReF Regulation Public Consultation involving Banking industry
- Jan-26: Publication of CBA Results
Thank you!
Annex: The future of reporting – IReF scope

**BANKS**

**EUROSYSTEM**

**Operational systems**

IReF collection layer

Harmonised transformations by the ESCB

**ESCB statistics**

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

IReF with its common features allows the ESCB to derive multiple products commonly without requiring the banks to report them individually!