EUROPEAN CENTRAL BANK

EUROSYSTEM

EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY

Common Minimum Standards for Data Revisions as agreed between the ECB, EIOPA, National Central Banks and National Competent Authorities

June 2019

Background and Context

1. Data quality is crucial in any data management process. Data reported under the EU Solvency II framework for insurance and reinsurance undertakings are used by national competent authorities (NCAs) in the supervisory review process and by most national central banks (NCBs) as input in the compilation of insurance corporation statistics[1]. NCAs also submit the supervisory information to the European Insurance and Occupational Pensions Authority (EIOPA), and NCBs submit the derived statistical information to the European Central Bank (ECB).

2. Given the integrated reporting approach followed for supervisory and statistical reporting, there should be a common understanding of the minimum level of data quality required and of when a revision of data is needed. The purpose of this document is to define common minimum standards for revisions transmitted by NCBs to the ECB and by NCAs to EIOPA. It is the responsibility of NCBs and NCAs to communicate at national level to ensure these minimum common standards are complied with.

3. Some legal provisions are already in place, both for statistical insurance data under the ECB statistical framework and for supervisory insurance data under the Solvency II framework.

4. For the purpose of statistical data, the IC Regulation[2] (Annex III) refers in general terms to minimum standards for revisions, stating that “The revisions

[1] In accordance with ECB Regulation ECB/2014/50 on statistical reporting requirements for insurance corporations, NCBs may derive the data required, to the extent possible, from data reported for supervisory purposes under the Solvency II framework. This helps to minimise the reporting burden on the insurance industry. The common minimum standards agreed between the ECB, EIOPA, NCBs and NCAs for revisions as presented in this document apply in those countries where the integrated approach for reporting supervisory and statistical reporting is followed. NCBs using a dedicated statistical reporting approach should, however, comply with any minimum standards for revisions referred to in this document which refer to NCBs and interactions between NCBs and the ECB.

[2] Regulation (EU) No 1374/2014 of the European Central Bank of 28 November 2014 on statistical reporting requirements for insurance corporations (ECB/2014/50).

policy and procedures set by the ECB and the relevant NCB must be followed". Annex III also defines minimum standards for transmission, accuracy and compliance with concepts, implying that incorrect data should be corrected. As regards the national aggregated data reported by the NCBs to the ECB, the Monetary and Financial Statistics Guideline[3] includes a short section on revision policy, providing that between the initial transmission of new data and their dissemination only the latest data should be revised, although any reference periods can be revised outside this period. It also specifies that NCBs should submit explanatory notes giving the reasons for significant revisions and for historical revisions.

5. The Solvency II framework refers to re-submission of data by insurance and reinsurance undertakings and groups in Commission Implementing Regulation (EU) 2015/2450, Article 4, which states that financial institutions "shall re-submit as soon as practicable the information reported using the templates referred to in this Regulation when the information originally reported has materially changed in relation to the same reporting period after the last submission […]".

6. Article 9 of the EIOPA Decision of the Board of Supervisors on Collection of Information by EIOPA under Solvency II4 specifies that EIOPA may, after performing quality checks, conclude that additional information or explanations are required and as a result send a request for comments to an NCA.

7. By agreeing on common minimum standards, all authorities have aligned their expectations for the minimum acceptable level of data quality for the purposes of the different uses of data. The common understanding established in this document should be considered for the reporting reference dates after its date of publication. However, these common minimum standards should not prevent stricter practices from being applied at national level. The NCAs/NCBs have the responsibility and the power to request that financial institutions revise data when necessary.

8. Given the extent and complexity of data submitted to EIOPA and the ECB, the XBRL validations, which perform a significant set of controls, cannot cover all data quality issues. Additional analyses undertaken by active users of the data are needed and occasionally reveal quality issues which require revised data to be submitted to EIOPA and the ECB.

9. While information reported should be of good quality at the time of its first submission (reporting), revisions may nonetheless be needed at a later stage. Revisions may be on financial institutions' own initiative or requested by EIOPA, the ECB, NCAs or NCBs.

---

[3] Guideline (EU) 2016/450 of the European Central Bank of 4 December 2015 amending Guideline ECB/2014/15 on monetary and financial statistics (ECB/2015/44).

[4] EIOPA Decision of the Board of Supervisors on Collection of Information by EIOPA under Solvency II.

10. It is important to keep consistency between EIOPA's Central Repository, the ECB's statistical databases and NCA/NCB databases. Any revision of data should be carried out at all levels of the transmission chain so that all parties involved[5] have the same data.

11. Revisions should be sent by NCAs and NCBs to EIOPA and the ECB in a timely manner, thus reducing time pressure for business users who need high-quality and stable data on specific dates.

Concepts used in this document

These terms are defined as follows for the purpose of this document.

1. "**Financial institutions**" are insurance corporations as defined in Regulation ECB/2014/50 and insurance and reinsurance undertakings, participating insurance and reinsurance undertakings, insurance holding companies and mixed financial holding companies as defined in the Solvency II Directive[6].

2. "**Resubmissions"**refers to new submissions of completed reporting templates which have already been sent in the past, irrespective of whether the data points in the templates have been changed. Resubmissions are divided into:

   (a) "**revisions**" (if data points have changed);

   (b) "**duplications**" (if there are no changes in the data points).[7]

3. "**Routine revisions"** refers to revisions for the reference periods t and t-1. Revisions refer to period t from the deadline applicable to financial institutions for the first submission of the data to the date on which the ECB closes the data reception for the period in question/the date on which EIOPA finishes the data quality process with the NCAs (e.g. Q4 is t and Q3 is t-1 until the ECB's date of closure for Q4/EIOPA's end-date for the data quality process for Q4 statistics).

4. "**Non-routine revisions**" refers to revisions for reference periods prior to t-1.

5. "**Significant revision**" refers to a revision large enough (in terms of the difference between the new and previous data point(s)) to significantly impact prudential or statistical analysis made using this data point, either at the entity level or at one or several aggregated levels (e.g. peer group and/or subsector and/or domestic market and/or European levels).

---

[5] I.e. financial institutions, NCAs, NCBs, the ECB and EIOPA.

[6] Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II).

[7] An example of a resubmission file where the data has not been changed is an unintentional duplicate submission of the same reporting template. Another example is when an NCA, following a revision from one insurer, opts, for operational reasons, to resubmit the reports of all insurers from the same sector to EIOPA. In this case, from EIOPA's perspective, there will be one revision and several duplications.

In the case of aggregated data, significant revisions may be due to revisions which concern only a single financial institution or which affect several financial institutions, and might be small at the individual level but significant when aggregated.

6. **"Production period"**: in the case of the ECB, this refers to the period between transmission of data from the NCBs to the ECB and the closing of data reception by the ECB. In the case of EIOPA, this refers to the period between transmission of data from the NCAs to EIOPA and the date EIOPA finishes the data quality process with the NCAs.

Common Minimum Standards

Request for revisions

When data quality issues are identified and a revision considered necessary, NCAs (on their own initiative or following a request from EIOPA) or NCBs[8] (on their own initiative or following a request from the ECB) should ask financial institutions to revise the data previously submitted.

Data quality issues may be identified at the level of an individual financial institution, and revisions requested from the institution in question. However, when data quality issues from several financial institutions are not material at the individual level but have a material impact on aggregated data, revisions should be requested from relevant financial institutions included in the aggregation.

An assessment of the significance of data quality issues should take account of the impact on analysis and statistical publications, the size of inconsistency, the type of data and any other relevant factors.

When assessing the accuracy of qualitative data, errors in certain basic information that may impact data analysis (for example, the wrong type of undertaking, wrong country of authorisation in the basic information template) should be considered relevant and a revision should always be requested.

Synchronisation

The same data must be available at all levels (i.e. financial institutions, NCAs/NCBs, EIOPA and the ECB) at all times. This means that any revision of data should take place at all levels of the transmission chain to ensure that all parties involved have the same data (e.g. if a financial institution revises its data the revisions must reach the NCA, the NCB, EIOPA and the ECB).

[8] NCBs may request revisions directly from financial institutions when this is in line with national arrangements.

Exceptions are possible only where purely operational challenges occur e.g.:

- for revisions to backdata when XBRL taxonomies older than six releases have to be used, the synchronisation principle will not apply to data sent by NCAs to EIOPA, as EIOPA currently supports only the last six taxonomies;
- as non-routine revisions should not be transmitted to the ECB at certain points in time (see section on timeliness), short delays in the synchronisation of this type of revision may occur.

Synchronisation also implies that revisions should always be made at financial institution level and be transmitted by the financial institution to the NCB/NCA, i.e. data should not be modified unilaterally at the NCB or NCA level.[9] If in exceptional cases data must be modified at NCB or NCA level because a mistake encountered could not be corrected by the financial institution in time for publication of aggregated data, the data should be revised by the financial institution as soon as possible.

Timeliness

The revisions should be sent by the NCAs and NCBs to EIOPA and the ECB, respectively, in a timely manner.

- NCAs should send revisions to EIOPA not later than one week after receiving the revision from the financial institution, except in cases where batch processes are implemented, in which case the revisions should be sent according to established schedules, but at least once per month.
- NCBs should send any revisions reported by financial institutions as follows:
    - routine revisions should be sent to the ECB as quickly as possible, *during production periods*, in order to be included in the publication of data for the period in question;
    - routine revisions which could not be transmitted during the production round before the closing of data reception should be sent before the closing of the next production round;
    - non-routine revisions[10] should be sent outside production periods but before the following production round.[11]

[9] In the case of the ECB, this does not refer to those data items which NCBs compile independently of the data reported by financial institutions, by means of estimations or other statistical sources.

[10] Non-routine revisions should be less frequent than routine revisions (especially as financial institutions become more familiar with reporting templates).

[11] Note that non-routine revisions should in general be sent to the ECB outside the regular ECB production period. Exceptions are possible, however, in order to correct large mistakes, on the basis of bilateral agreements between the ECB and NCBs.

Explanatory notes

All non-routine revisions of aggregated data and significant routine revisions of aggregated data should be accompanied by notes from the NCA/NCB explaining what triggered the revision.

Notice

For data quality issues in data reported by individual entities, the erroneous flag available in the XML metadata file of the EIOPA Central Repository Specification should be used by the NCA to indicate that a revision will be needed, or, alternatively, the NCA sends an email to EIOPA informing it of the need for revision (this flag/email will be replaced by an entry in the data quality ticketing system currently under development).

Historical revisions

When an issue is identified which would lead to significant revisions and which also affects backdata, revisions should be provided at least as far back as technically possible given the operational limitations of the data collection infrastructure.

In the case of the ECB, when such revisions are not feasible, NCBs may transmit “reclassification adjustments” (showing the differences in levels between two periods resulting from more accurate information being available for the more recent period only).

© European Central Bank, 2019

Postal address 60640 Frankfurt am Main, Germany
Telephone +49 69 1344 0
Website www.ecb.europa.eu

All rights reserved. Reproduction for educational and non-commercial purposes is permitted provided that the source is acknowledged.