



EUROPEAN CENTRAL BANK

EUROSYSTEM

Update on the ESCB's Integrated Reporting Framework (IReF)

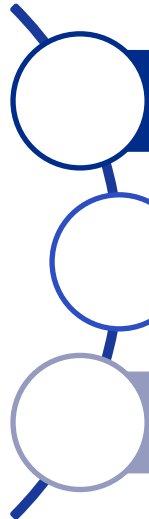
IReF PO

27 June 2023

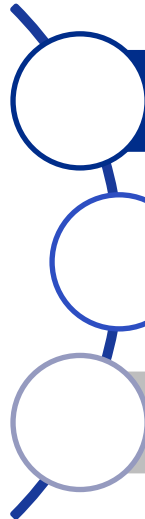


Item 2.2
Dialogue with the banking industry on ESCB statistics

Agenda

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1. Background
 2. The complementary CBA questionnaire
 3. Way forward

Agenda



1. Background

2. The complementary CBA questionnaire

3. Way forward

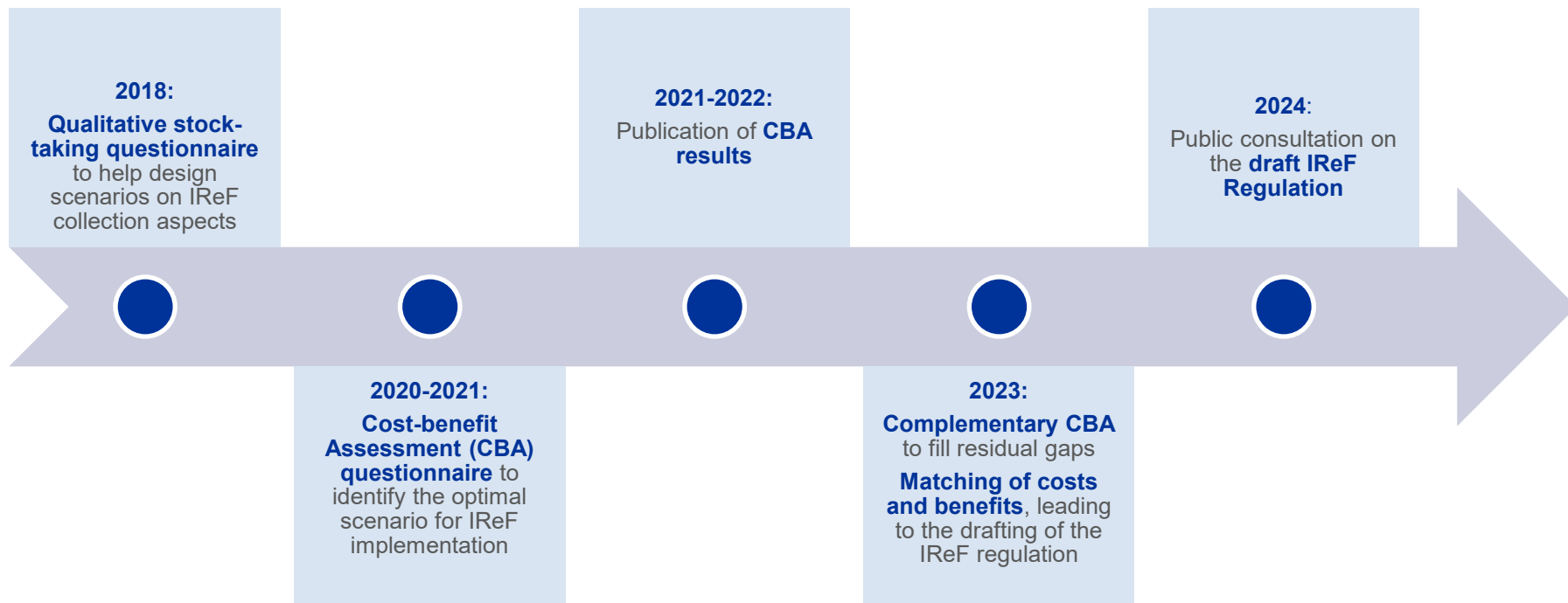
Launch of the IReF non-IT investigation phase

Launched on 1 June 2023 with the following objectives

- **Designing the data collection from reporting agents**
 - Conclude the cost-benefit analysis on IReF
 - Prepare the IReF regulation and manuals
 - Define the IReF collection layer and its interlinkage to supervisory reporting and country-specific requirements
- **Developing a new collaboration model for the ESCB**
 - Defining options for detailed business flows covering data collection, compilation and dissemination
 - Translation into business requirements for the IT implementation

Steps of the cost-benefit analysis

Adapted version of merits and costs procedure in line with Article 3 of Council regulation (EC) 2533/98



Why a complementary CBA?

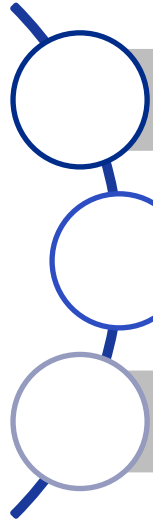
Follow-up to the 2020-2021 CBA

- **Country-specific requirements** represent a major cost-driver for statistical reporting
- Alignment of **FINREP solo** could be beneficial going forward

Scenarios on how this can be achieved effectively have been worked out

- The resulting **complementary CBA** provides for a comprehensive assessment
- Rather than new requirements, these should be interpreted as **an opportunity to simplify the overall approach to the data collection**, considering:
 - The relationship between **IReF and the national collection** frameworks that will continue to exist
 - The broader objective to achieve integration across statistical, prudential and resolution domains

Agenda



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Complementary CBA – Key facts

Aim:

Address additional topics of relevance for setting up IReF

Target stakeholders:

Banking industry, Eurosystem compilers and ESCB user groups

The questionnaire

How to participate:

NCBs have directly invited institutions, the questionnaire is open to every institution that wishes to participate. Participation is mandatory for NCB compilers

Way of implementation:

The survey is conducted in EPSILON, similar to the CBA conducted in 2020-2021

Complementary CBA – structure

1. Introduction

2. Information on respondents

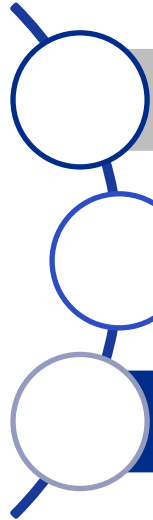
3. Extension of the IReF Regulation to cover country-specific requirements

4. Additional features to optimise the IReF analytical value

5. Modalities of the IReF reporting

6. Closer alignment with FINREP solo

Agenda



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Key dates for the complementary CBA

NCBs to contact potential respondents
All banks can express interest in participating

Launch of the questionnaire
(5 May 2023)

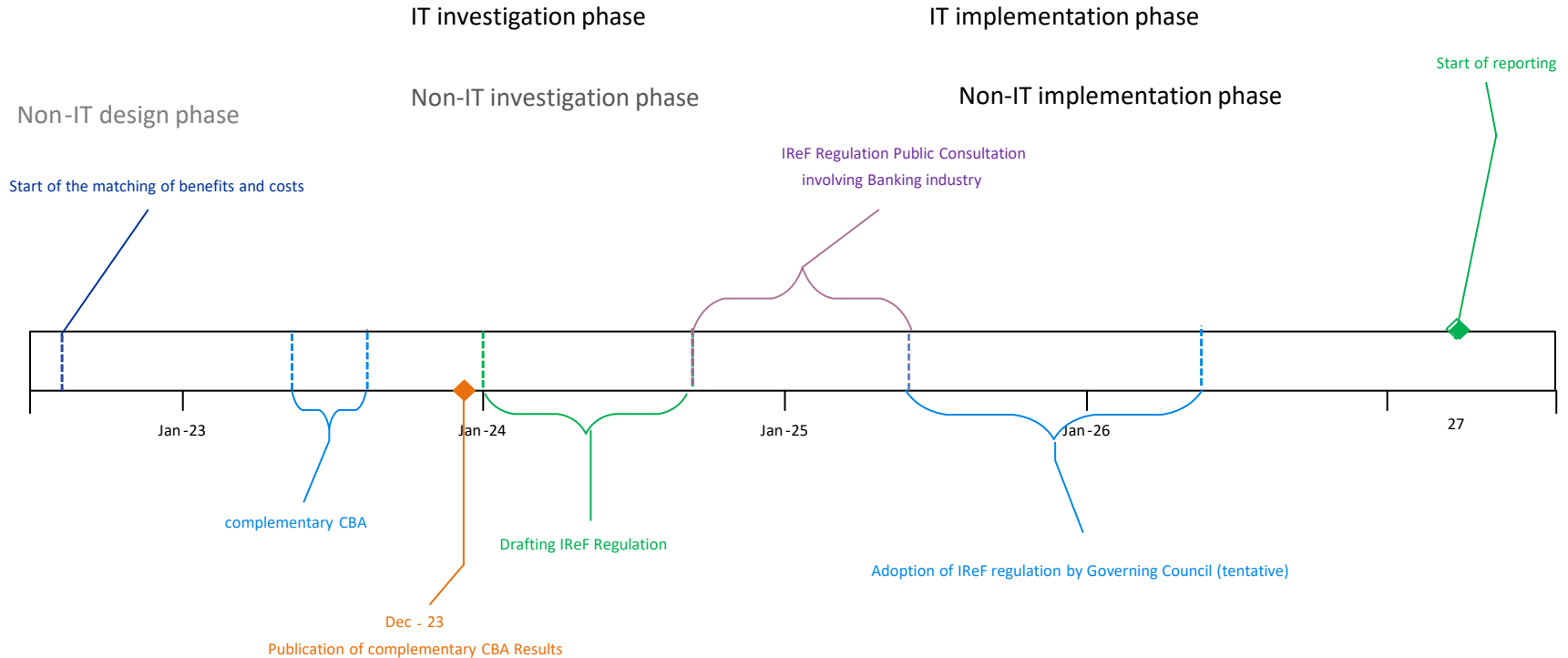
Workshops to support respondents
1 June, 19 June & 13 July 2023

Close the questionnaire
(end-July 2023)

- Publication of results
- Matching of costs and benefits
(Q4 2023)

Drafting IReF regulation
(start towards end 2023)

The broad envisaged timeline



Thank you!



Complementary CBA – Key facts

Institutions which have not yet been invited to participate by their domestic NCBs:
We recommend to express your interest with your NCB. Alternatively, you may
contact the ECB at the following email address:

IReF_Support@ecb.europa.eu

Country-specific requirements (CSR) [1]



Assess costs and benefits of including common CSRs in the IReF Regulation

Approach to the collection of information on granular loans

More granular description of real estate loans

Additional level of detail on the loan purpose

Reporting of the type of termination and origin of loans

Standardised non-negotiable instruments classified as loans or deposits

Additional information on deposits (liabilities)

Type of control of counterparties

Reporting of relationship information

Direct investment income from equity

Information on the securities transferred in repurchase agreements and other lending operations

Off-balance sheet items vis-à-vis legal entities (excluding derivatives)

Country-specific requirements (CSR) [2]

ESCB approach on two pillars

- **CSR common across several NCBs might be considered for inclusion in the IReF Regulation**
CSR **not common across several NCBs will continue to be collected based on national legislation**
(ideally modelled in the IReF extended technical layer)Some key proposals

Collect loans to natural persons at the granular level but anonymised

- **Main advantage:** facilitate the collection of requirements stemming from the IReF and national central credit registers in an integrated way, minimising double-reporting
- Data would be anonymised to limit reporting burden and address data protection considerations
- The basic proposal consists of collecting only attributes that are needed for the derivation of secondary statistics (which represents a much smaller requirement compared to the one regarding legal entities in AnaCredit)

Optimise the IReF analytical value



Assess costs and benefits of including additional features (not yet covered in ECB Regulations) in the IReF Regulation

Split of outstanding nominal amount

Tracking changes of instrument identifiers

Statistics related to climate change

Protection allocated value eligible for credit risk mitigation under the CRR

Governing law of loan agreements

Reporting of protection issuers

Reporting of probabilities of default

Modalities of the IReF reporting



This section assesses different modalities for data submission in different countries with the objective to standardise the IReF operationalisation (i.e. assess best-practices).

Types of data submission

Reporting schedules

Early submission of counterparty reference data

Closer alignment to FINREP solo [3]



Topic applies to credit institutions only

Extensions related to concepts already available in IReF

Extensions related to concepts that are not included in the IReF baseline

Extensions related to off-balance sheet items vis-à-vis natural persons

Dynamic adjustment of IReF to changes in the EBA Implementing Technical Standards (ITS)