

The Financial Crisis and Information Gaps
Recommendation 14: International Exposures of
Large Nonbank Financial Institutions

Senior Officials Conference
Basel, April 8 and 9, 2010

G-20 recommendation

- *The IAG, consulting with the FSB, to revisit the recommendation of the G-22 to examine the feasibility of developing a standardised template covering the international exposures of large non-bnk financial institutions (NBFIs), drawing on the experience with the BIS's IBS data, other existing and prospective data sources, and consulting with relevant stakeholders.*
- Lead agency: IAG (BIS, ECB, IMF, OECD, Eurostat)

Methodological developments

- Variety of methodological frameworks (SNA, BOP, HSS, BIS's IBS and OTC data, FSI's, OECD institutional investors, ECB guidelines)
- Only IBS and FSI on consolidated basis
- Framework for data on individual institutions possibly from rec 9
- Rec 13 (stream 1) to look at methodology for cross-border exposures of bank and non-bank financial corporations

Availability of data

- OECD data on institutional investors (incl breakdowns for claims on non-residents, residency basis, only 12 G20); on Insurance and Pension Funds
- CPIS encourages breakdowns on NBFII investment positions (only 11 G20)
- ECB: data collection on investment funds, financial vehicle corporations, insurance and pension funds (incl cross-border positions, residency basis)
- IAIS on re-insurance
- Indirect sources: debt issuance (see rec 7), BPM6, IIP if agree to share data, BIS IBS (see rec 11) & OTC

Way forward

- Improve/expand existing data collections: CPIS, OECD institutional investors, ECB
- IAG to make inventory of direct and indirect sources (from counterparty sources in other data collections), envisage single hub for information
- IAG to look into methodological and practical issues of extending coverage to consolidated basis
 - in parallel with workstream 1 of rec 13
 - Discussion paper, conference, identify need for further guidance on methods and data compilations
 - Involve experts from different other groups

Questions

- Is progressing in short term through existing initiatives (CPIS, OECD, ECB) appropriate? Could breakdown on NBFIS be included in CPIS?
- Can non-bank financial corporations (as group or sub-sectors) be identified in existing data collections? Build a hub for direct and indirect info?
- What are constraints on improving data on NBFIs? What are primary sources? Will regulatory reporting requirements help? What is realistic timeframe?
- Which topic to be clarified in further methodological guidelines for NBFIs balance sheets? Residency as well as consolidated approach possible?