

**Session IV. (a) Overview of data on
G-SIFIs
(DGI #8 and #9)**

**IMF-FSB Global conference on G20 DGI
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- Outline
 - A. Context and purposes of the initiative
 - B. Process, scope, timeline and Phase-in
 - C. Data requirements and data templates
 - D. Multilateral Framework for data sharing
 - E. Data Pooling and Data Hub

- **The global financial system requires mapping and much closer monitoring**
 - Crisis made clear that our (road)map of the global financial system was vastly incomplete
- **What major gaps are we trying to fill?**
 - Interconnections-understanding the financial network
 - Identifying risk concentrations and funding dependencies
 - Un-mask links to non-bank intermediaries (shadow banking)
 - Increased understanding of financial innovation and market complexity
 - Flexibility to analyze multiple dimensions of risk
 - Better articulate micro and macro analysis to identify potential spill-over and externalities

Expected Benefits

- Provide incentives and leverage on SIFIs to uniformly enhance data and risk aggregation capacities
- Provide a source of timely information that can be rapidly mobilised and escalated by authorities if problems arise at an institution in the global network.
- Monitor and detect ex ante potential build up of risk concentration and systemic risk
- Mapping the global financial network and stress-testing its resilience to spill-over risks
- Enhance Policy analysis with longitudinal, cross sample and relevant aggregated data (e.g., facilitates cross-country comparative studies, event studies, etc.).

What do we need? The building blocks

- **Common data template(s) for G-SIFIs**
 - Interconnectedness
 - Common exposures and funding dependencies
- **Common Multilateral Framework for data sharing**
 - Legal gateways
 - Governance
- **Central Data hub**
 - Aggregation and reconciliation
 - Sharing of reports

Cost and Benefits Analysis

- Document the expected use and benefits of FSB data collection for banking supervision and financial stability purposes
- Extensive Inventory of International initiatives by international (BCBS, BIS, IMF, SSG, OECD) and European (ECB, EBA) institutions and other data collections at national level
- Benchmark and bridge the FSB initiative with other relevant initiatives (harmonization of methodologies, frequency, breakdowns) and provide an integrated statistical and analytical framework
 - Eliminate undue overlaps
 - Explain specific new FSB features
 - Seek relevant areas of convergence
 - Build on existing or developing concepts
- Identify difficulties and challenges and phase-in incremental evolutions over time and by degree of complexity

Phasing-In (Initial expectations)

- **Phase 1**
 - Pooling of existing Data: “SSG” bilateral credit exposures, BIS individual consolidated claims
 - Limited data enhancements and expansion of reporting sample
- **Phase 2**
 - Progressive data extension to: bilateral funding exposures, enhanced BIS individual consolidated claims
- **Phase 3**
 - Further data extension to: detailed individual I-A consolidated claims and liabilities

Extensive engagement with industry

- Consultation Paper – October 2011
- Industry workshop May 2012
 - Scope of the project
 - Overlap and consistency with other data
 - Implementation timeline
 - Technical issues on granularity of template
- Positively received
 - Roll-out of Phase 1 (March 2013)
 - Refinement and revision of proposals for Phase 2 and 3
- 2nd Industry workshop planned early autumn 2013 on revised proposals for Phase 2 and 3

Phase 1 (implemented)

- **Credit counterparty exposures**
 - Top 50 exposures sorted by Derivatives Potential Exposure + Total Short Term Money Placements + Total Issuer Risk.
 - Aggregate connected counterparties (banks, non-bank financial institutions, and corporates). Assign unique identifier.
 - Breakdown by instruments x currency
 - Frequency / Time lag : weekly/monthly, 3 Days lag
- **Individual IBS consolidated claims**
 - Consolidated claims
 - Aggregate BS exposures by sec. x country x [inst x cur. X mat.]
 - Frequency: quarterly
 - Time lag: 10 weeks

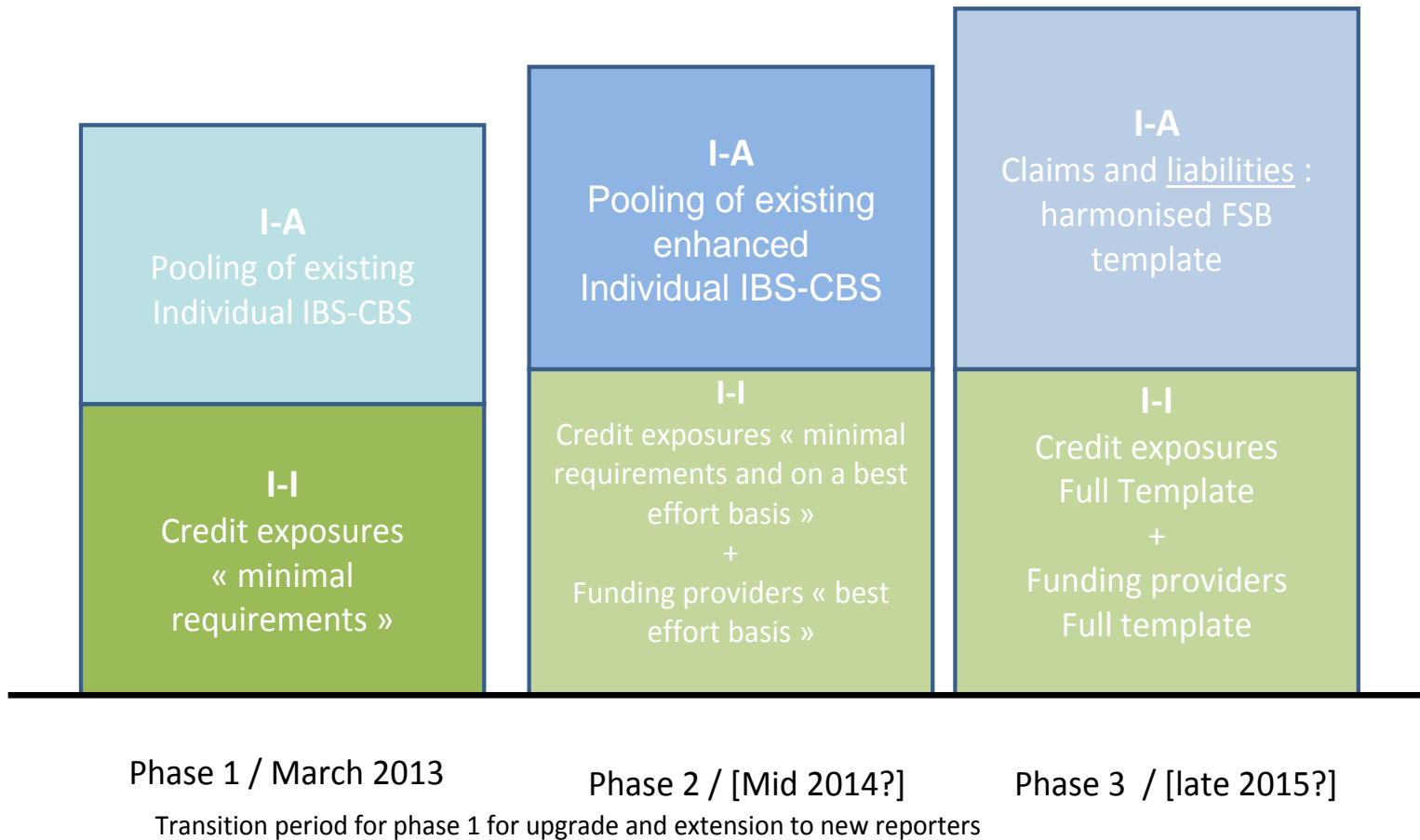
Phase 2 (work in progress)

- **Funding dependencies**
 - Top N funding sources
 - Breakdown by inst x currency x maturity
 - Consistency and articulation with credit exposure data template
 - Frequency / Time lag ~
- **Individual Enhanced IBS consolidated claims**
 - Refined consolidated claims + memo items (liabilities)
 - Frequency: quarterly
 - Time lag: ~10 weeks

Phase 3 (work in progress)

- **Individual detailed IA consolidated claims and liabilities**
 - Detailed consolidated claims and liabilities
 - Aggregate BS exposures by sec. x country x inst x cur. X mat.
 - Frequency: quarterly
 - Time lag: 8-10 weeks
- **Structural Data**
 - Bridge template IA / Accounting scope
 - Identify insurance activities
 - Frequency: annual [semi-annual?]
 - Time lag: x weeks

C. Data requirements and data templates



D. Multilateral Framework for data sharing

- Legal gateways in place for G-SIBs home supervisors
- Data hub as Agent at the BIS
- Network formed with most G-SIBs home supervisory authorities
- Strong controls:
 - Sharing of standard reports; raw data → request and prior consent
 - Access restrictions; Use restrictions
 - Reciprocity
 - Unanimity
- Multilateral Framework agreement
- Assessment criteria for confidentiality
- Governance group formed to oversee compliance to framework (with one vote per jurisdiction; decides on the basis of unanimity)
- Work in progress on developing the Framework to allow potential sharing with authorities other than supervisors.

E. Data pooling and Data Hub

- 1st tier: National home supervisory authorities provide legal and technical gateway to collect consistent data with harmonised template
- 2nd tier: International Data Hub provides pooled services
 - Storage and pooling of highly confidential data at international level
 - Process weekly, monthly and quarterly data submissions
 - Management of secure transmission channel and storage facilities
 - Assessment of data quality in interaction with authorities
 - DQC reports on accuracy, completeness and timeliness of data
 - Monitor overall consistency and compliance with reporting guidelines
 - Production of pooled data reports for authorities
 - Development of analytical toolbox for home supervisory authorities
 - Secretariat for the Hub Governance Group
 - Organization of HGG meetings
 - Facilitate coordination between HGG institutions

Thank you!