

**Twenty-First Meeting of the
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**New Developments in the Bank for International Settlements
International Financial Statistics**

**Prepared by the Monetary and Economic Department
Bank for International Settlements**



New developments in the BIS International Financial Statistics

1. International banking statistics

1.1 Data coverage

Efforts are continuing to increase the number of reporting countries both in the *locational* and *consolidated* banking statistics. The *locational* statistics focus on cross-border banking assets and liabilities and are consistent with balance of payments, IIP and external debt principles; the *consolidated* statistics are consistent with supervisory principles, they provide a measure of the country risk exposure of national banking systems. The latter therefore are compiled on a worldwide consolidated basis with inter-office accounts netted out.

Currently, 41 countries and centres (including Malaysia, as of December 2007) participate in the *locational* banking statistics and 30 in the *consolidated* banking statistics. Since 1998, 17 new centres have joined the locational statistics and 12 countries the consolidated banking statistics.

Cyprus is currently working on the preparation of its contribution to the BIS banking statistics scheduled from early 2009. Work is in progress in other central banks (China, South Africa and Saudi Arabia) which have reconfirmed their interest in joining the locational banking reporting system. However, these countries have not yet committed to any precise timetable. Russia is still considering its participation. Among the other central banks, mainly in offshore centres, that were contacted for a future reporting through the IMF Information Framework Initiative, only Lebanon has expressed its intention to contribute, although this project is being delayed due to the local political situation. The majority of the potential new reporters are arguing that their willingness to participate in the BIS banking statistics reporting framework is hampered by the concentration of the commercial banks' efforts on the implementation of the Basel II requirements, by other urgent projects or by lack of resources, and, needless to say, by the recent developments on the financial markets.

Following decisions at the 2005 meeting of experts in international financial statistics, BIS is now implementing an improved *banking list exercise*, based upon the residence and the nationality of the banking entities reporting to the BIS locational and consolidated banking statistics, in order to eliminate, or at least significantly reduce, any double counting or gaps in the consolidated statistics. With this new exercise central banks are now provided on an annual basis with the full list of institutions that participate in the locational statistics and in the consolidated statistics. Lists¹ are made available to the BIS reporting central banks.

1.2 Data quality

Data quality is being continuously improved as several countries provided more detailed country, sector and currency breakdowns of their data. In the area of the *consolidated* banking statistics, only six among the smallest of the 30 reporting countries do not yet provide data on an ultimate risk basis, but nearly all data supplied are consistent with BIS definitions.

As noted at the last BOPCOM, two new guidelines, on the locational and on the consolidated statistics, posted on the BIS website at end 2006, are being updated to implement the decisions of the January

¹ 7.400 banks in 40 countries report to the locational statistics



2008 meeting of central banks experts on international financial statistics as well as to make various clarifications for the existing text. These documents are no longer published in a paper version.

1.3 Data availability

Most countries provide their *locational* and *consolidated* banking data within 12-13 weeks. Since October 2005, the BIS has been releasing preliminary quarterly banking data within only 15 weeks, i.e. 6 weeks ahead of the publication of its Quarterly Review, to central banks and the public, with a short analysis of recent data developments. More detailed analysis is provided later in the Quarterly Review by BIS economists. In most quarters, data revisions in the final data have been minimal when compared with the data in the preliminary release.

The BIS international banking statistics are available with a full back-run of the series free of charge on the BIS website.

2. Debt securities statistics

2.1 Data coverage

The BIS undertakes continuous efforts to improve the data collection procedures and the geographical coverage of its *international and domestic debt securities*. While the country coverage of BIS *international debt securities* data from commercial sources is relatively comprehensive, the coverage of BIS domestic securities data, which are mainly collected from central bank sources, is currently limited to 49 countries (22 developed countries, 3 offshore centres and 24 developing countries).

BIS launched a project in 2007 to expand the coverage and improve the quality of its domestic debt securities. In the perspective of collecting debt securities data to be retrieved at a later stage with the use of SDMX tools, BIS is reviewing/investigating the data sources on domestic/national debt securities that would be available, using an appropriate code structure, via internet from central banks and other agencies. This survey is carried out on the basis of a template that has been presented and approved at a recent IFC workshop in Washington.

In addition, BIS still aims to harmonise its debt securities data with those published by the ECB for the euro area, in order to discontinue collecting data from national euro area sources in the near future. However, some persistent discrepancies between the BIS and the ECB SEC data, as well as the possible use from 2010 of the CSDB as the sole source for the SEC data, have prevented completion of this part of the project.

Parallely, in the second half of 2007, in response to a G-8 Finance Ministers' call to take stock of currently available data on local debt markets and identify any gaps with a view to consolidating this information, several concerted international initiatives were launched to improve the quality and the international comparability of debt securities data. Reconvened in July, thanks to a coordinated action by the BIS, the IMF, the ECB and the World Bank, the Working Group on Securities Databases (WGSD) met in September to promote a global initiative in this respect, including the development of a handbook on debt securities statistics. Slightly later, in October 2007, the G-8 Finance Ministers endorsed an Action Plan for Developing Local Bond Markets in Emerging Market Economies and Developing Countries, and stressed also the need for broadening the statistical sources on EME bond markets.

It should be reminded that these convergent efforts were for a large part triggered by the findings of the report of a CGFS working group on financial stability and local currency bond markets in emerging countries published in June 2007 and by the subsequent recommendations of a sub-group focussing on statistical issues.



A IFC workshop on improving the securities statistics was also organized in Washington in March 2008. Since then, a technical group composed of the ECB, the IMF and the BIS, coordinated by the latter institution and assisted by a few national experts, has prepared a first draft of a Handbook on Securities Statistics that will be reviewed by a larger group of experts in Basel at the end of October 2008.

2.2 Data quality

While preparing for a new collection system of domestic debt securities, the BIS is also committed in the short run to improve further its present domestic debt securities statistics in terms of geographic coverage and quality.

2.3 Data availability

The BIS domestic and international debt securities statistics are available with a full back-run of the series free of charge on the BIS website. Revisions have recently been more frequent as a consequence of the CGFS WG and the most substantial revisions are now documented on the BIS website.

3. Foreign exchange and derivatives statistics

3.1 Data coverage

Thanks to a greater automation of the reporting and to an improved quality management the final report of the 2007 Triennial Survey on foreign exchange and derivatives activity was published in December 2007, three months ahead of the previous surveys.

The *content of the 2007 Triennial survey* was, for the first time, expanded to include data on Credit Default Swaps (CDS). Additional currencies were identified separately in order to improve the currency coverage in the turnover part.

A reflection is ongoing through the BIS Markets Committee regarding the framework of the next Survey expected in 2010. It has already been agreed in order to streamline the communication that two distinct reports would be issued, one on turnover at end August 2010, and a second one on positions at end November 2010. However, more is expected soon from the recommendations, as a consequence of the financial turmoil, of a CGFS working group, chaired by the ECB, on the expansion of data collected on credit risk instruments within the semi-annual OTC survey on derivatives and CDS markets.

Indeed, BIS is also collecting *semi-annual OTC derivatives markets statistics*, which comprise data on notional amounts and gross market values outstanding of foreign exchange, interest rate, equity, commodity and credit derivatives from currently 55 major reporting dealers in the Group of 11 countries which represent major financial centres, on a worldwide consolidated basis. Depending on the outcome of the CGFS Working Group, additional countries might report on a semi-annual basis and new requirements might be included in the reporting templates.

Furthermore, the BIS collects from commercial sources and publishes quarterly data on turnover and amounts outstanding of *exchange-traded* currency, interest rate and equity index *derivatives*.

3.2 Data quality

Due to the rapid evolution of the OTC markets which led to the inclusion of detailed information on credit default swaps (CDS) with breakdowns on credit rating categories, sectors, maturities and counterparties as of end-2004, several additional improvements are under consideration that could be presented to the CGFS in a near future (see above).



3.3 Data availability

The publication lag of the *semi-annual OTC derivatives statistics* has been reduced to four and a half months. A further reduction is targeted which depends on the capacity of the major reporting country to submit data earlier. The publication lag for the *exchange-traded derivatives statistics*, which are provided by commercial sources, is only about two months.

The BIS derivatives statistics are available with a full back-run of the series free of charge on the BIS website

4. Joint External Debt Statistics

Selected BIS time series are also available on the Joint External Debt Hub (www.jedh.org), a website providing creditor and debtor data, which is jointly managed by BIS, IMF, OECD and World Bank as a pilot project implementing Statistical Data and Metadata Exchange (SDMX) concepts. The JEDH applies technological innovation to the context and content of information being provided.

Due to the suspension for budget constraints of the data on trade credit supplied by the OECD, the BIS received in 2005 a mandate from the TFFS to work with the Berne Union of Trade Credit Insurers to report bank and non-bank trade credit exposures as a substitute for the OECD data. A solution was implemented in 2007 and is now operational. Back data have also been made available from 2005. While being not fully comparable with the former OECD statistics (larger geographical coverage, trade exposures of insurers rather than officially guaranteed credits), the publication of the BU data is now meeting most user needs.

Philippe Mesny
Head of International Financial Statistics
Monetary and Economic Department
Bank for International Settlements