

**FIFTH DIALOGUE MEETING**  
**BETWEEN MEMBERS OF THE ESCB STATISTICS COMMITTEE AND**  
**REPRESENTATIVES OF THE BANKING INDUSTRY**

**Tuesday, 27 June 2023**

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Minutes

## **1. Welcome and adoption of the agenda**

The Chair of the European System of Central Banks (ESCB) Statistics Committee (STC) welcomed the participants to the fifth Dialogue meeting on ESCB statistics between the STC and the representatives of the banking industry. This was the first Dialogue meeting organised in physical format since 2019. In this regard, the Chair was particularly pleased to see so many participants joining the meeting. She thanked the European Banking Federation (EBF) for the good cooperation in preparing the meeting and organising the industry participation in accordance with the Charter of the Dialogue.

The Chair introduced the agenda of the meeting and gave the floor to the representative of the EBF, who thanked the ECB for the organisation of the meeting and emphasised the importance of an open dialogue between the industry and the authorities.

## **2. State of play towards European integrated reporting**

*Summary of the presentations*

### **2.1 Recent developments around European integrated reporting**

The European Central Bank (ECB) and the European Banking Authority (EBA) gave a joint presentation on the current state of play as regards the work towards the integration of statistical, supervisory and resolution reporting by banks. The presentation included an overview of the main milestones achieved, examples of work already ongoing as well as an outline of the planned setup of the Joint Bank Reporting Committee (JBRC), including the Reporting Contact Group (RCG) to allow participation and feedback from the industry. The presenters recalled that the main goal of an integrated reporting system is the reduction of the reporting burden. They also highlighted the importance of involving the industry in this work throughout the regulatory process.

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

The ECB provided a status update on IReF, which has now officially entered its new phase with the launch of the non-IT investigation phase. The presentation recalled the steps of the cost-benefit analysis and described the main elements and key dates of the on-going complementary cost-benefit assessment, including the planned publication of the results of the survey. The presentation concluded with a broad envisaged timeline, including the expected go-live of IReF in 2027.

## **2.3 Report from the BIRD Steering Group**

The co-Chairs of the Banks' Integrated Reporting Dictionary (BIRD) Steering Group updated the Dialogue participants on the recent developments and current state of play of the work of the different BIRD structures. They recalled the elements of the BIRD relaunch and provided an overview of the main achievements since last year's Dialogue meeting. The presentation included also examples of current and future BIRD activities that are carried out in accordance with the BIRD work plan for 2023. The co-Chairs concluded their presentation with an outlook to the next challenges ahead and the foreseen role of BIRD in the developments around IReF and the planned JBRC.

## **2.4 The views of the banking industry**

The representatives of the banking industry presented the industry's views on the topics covered by the previous presentations, focusing on the collaboration between the authorities and the banking industry, as well as the foreseen role of the industry in the work of the JBRC and the related RCG. The presentation also touched upon IReF and BIRD – pointing also towards the benefits that BIRD can bring to the broader integration work.

The presenters highlighted that a new mindset with an open-minded approach to new ways of working is key for the success of integrated reporting. Strong collaboration between the authorities and the industry – supported by an appropriate organisational setup with clear governance – is required when designing a new regulatory reporting ecosystem. Furthermore, a clear and detailed roadmap with strategic objectives should guide the work. The presenters acknowledged the open dialogue between the authorities and the industry already in place in the context of IReF and BIRD.

## **2.5 Exchange of views**

### *Summary of the discussion*

After the four presentations under agenda item 2 were given, the floor was opened for an exchange of views. The discussion focused on two main topics, namely IReF and the involvement of the industry in the work of the JBRC. On the former, the participants emphasised the importance of a transparent communication on the plans of NCBs as regards the scope of the existing statistical collection frameworks under the IReF and their intentions to integrate their country-specific requirements that will remain applicable in the IReF extended technical layer. It was confirmed that the plan is to maximise the use of the extended technical layer, but the related challenges – and in particular those related to the size of the

technical layer – will need to be considered. Furthermore, it is important to listen to the users to understand their needs.

The Dialogue participants exchanged also views on the foreseen parallel reporting phase, during which banks would be asked to continue reporting according to the existing requirements while at the same time reporting according to the IReF requirements would start. In this regard, the banking industry expressed a strong preference for a short parallel reporting phase that should finish when everyone is convinced about quality. The importance of careful testing and cooperation between the authorities and the industry during the test phase was also stressed.

It was acknowledged that parallel reporting is indeed one of the main cost-drivers, however, the quality of policy-relevant aggregates needs to be ensured. One of the challenges of the project is the derivation of aggregates from granular data, in particular since the countries and banks are heterogeneous in this respect.

As regards the planned industry involvement in the JBRC and the RCG in particular, the banking industry representatives confirmed that it is not meant to challenge the needs of authorities as regards the content of reporting (the “what”) but to define collaboratively the “how”. They highly appreciate the plans for setting up an efficient communication channel between the authorities and the industry. However, they stressed the importance of the RCG to represent the banking industry as a whole, and in this respect some concerns were raised regarding the selection of the RCG members. On this, the authorities confirmed that for reasons of transparency a public call will be launched, and that the selection process will be further refined. At first, the skills and required expertise will be detailed in the call to ensure that candidates have the relevant background and knowledge.

The Chair thanked everyone for the lively exchange of views and promised that the concerns raised by the industry will be taken into account. She confirmed that a bulk of country-specific requirements will be included in the IReF extended technical layer. On parallel running, the Chair concluded that by the time we start using the data, quality needs to be fit for purpose. To this end, the ESCB will engage in further discussions on how this will be organised. Finally, regarding the JBRC and the RCG, the Chair stressed that we all agree that the industry group should be diverse, but at the same time it should represent the banking industry and communicate with one voice. To this end, the best experts should join the group.

### **3. Other important developments**

#### **3.1 Payment statistics: First results following the update of the Regulation**

##### *Summary of the presentation*

The ECB presented an overview of the current state of play as regards the implementation of the amending ECB Regulation on Payments Statistics, including also the key findings and experiences gained during the first production rounds under the amending Regulation. The presentation covered also an update on the single data flow with the EBA on fraud reporting and concluded with an outlook to the publication plans. The presenter thanked the banking industry and payment service providers in general for the efforts they

have made during this intense period of implementing the amending Regulation which has substantially increased the scope of reporting but also the reporting burden on the reporting agents.

#### *Summary of the discussion*

The presentation was well received, and the participants asked a few follow-up questions regarding the plans for an update of the manual on payment statistics and the usage of the fraud data by supervisors. The presenter clarified that the manual is intended to be updated at regular intervals so that it continues to provide guidance to statistical compilers and reporting agents. Questions and answers are being collected, but significant updates to the manual are not foreseen at the moment. On the usage of the fraud data for supervisory/oversight purposes, it was said that indeed the respective departments are interested, and corresponding access requests were received and are dealt with internally, but the data are market sensitive and therefore cannot be published. Feedback on the fraud data and related exchanges are ongoing with the EBA, as they are receiving them as part of the single data flow since March 2023. Regarding the possible publication of the payment statistics data, the presenter confirmed that the plan is to publish non-confidential aggregates.

The Chair thanked the presenter and the participants for the exchange of views and concluded that the Dialogue participants appreciate the joint efforts and take note of the ongoing developments, including the update of the manual, the use of the fraud data by supervisors/overseers and the publication plans.

### **3.2 Supervisory data: ECB Management Report and Data Quality matters**

#### *Summary of the presentation*

The ECB provided an update on the status of the pilot on the management report on data governance and data quality, reminding the Dialogue participants of the objectives of the pilot and highlighting some preliminary conclusions of the first exercise. Among others, the ECB informed the participants that some banks have been contacted bilaterally by ECB Banking Supervision Data Division and their Joint Supervisory Teams in order to follow up on some findings. The presentation also covered the new process for forwarding supervisory reporting to the ECB, which now requires national competent authorities (NCAs) to forward immediately all reports submitted by banks. The ECB is now assessing what is the impact of the new quality indicators and the new indicator on resubmissions. The presentation concluded with an overview of the preliminary findings of the new process, which shows a worsening of the data quality indicator (DQI) as of Q4 2022.

### **3.3 Supervisory data: Pilot on significant resubmissions**

#### *Summary of the presentation*

The second presentation on supervisory data – also given by the ECB – focused on the pilot on significant resubmissions. As a reminder, this pilot aims to identify significant resubmissions from all resubmissions, asking banks to proactively explain the reasons for these resubmissions when sending the files to the ECB. The presenter recalled how the thresholds are defined and presented some overview statistics on data points resubmitted during the pilot exercise. The ECB also confirmed that all documents relevant for the pilot can be shared with banks which are not participating to the pilot.

### **3.4 Exchange of views**

#### *Summary of the discussion*

After the two presentations on supervisory data were given, the floor was opened for an exchange of views. On the management report, as it is mainly using data quality assessment indicators, the banking industry representatives pointed out that banks are different, and quality indicators should be bank specific. Furthermore, some ECB validations are not covered by EBA validations and therefore it seems that a couple of national supervisory authorities do not implement them. This causes additional costs for banks and impacts their data quality indicator. Finally, it was mentioned that changes in the Data Point Model (DPM) might cause errors which should be considered when deriving data quality indicators. It was also mentioned that a calendar for the data quality dashboard would be useful.

The discussion also touched upon thresholds and what is considered a significant resubmission in this respect. Finally, the industry asked questions on potential materiality thresholds which would potentially be derived from the “significance” thresholds defined in the resubmission pilot.

The presenter reminded that the validation rules, including the Expert Group on Data Quality (EGDQ) checks, should be implemented by all banks and checked before submission to NCAs. He also clarified that NCAs have the possibility to use the ECB systems to perform the required quality checks at the reception of supervisory reports.

Regarding the significant resubmission pilot, the presenter confirmed that thresholds are defined from a supervisory perspective, with the aim to prioritise the follow-up of mistakes and errors. Every resubmission is material, but significant errors need to be followed-up with priority. Regarding materiality thresholds, the ECB and EBA confirmed the subject was discussed currently, but still informally.

On data quality, the presenter confirmed that a calendar is in preparation and more guidance will be provided. Also, at the request of the industry, the ECB will also consider organising a workshop to further discuss the implementation of the Basel Committee on Banking Supervision's standard number 239 (BCBS 239). Finally, regarding the changes in DPM, it was confirmed that when the ECB agrees a validation rule should not be applied, or the DPM needs to be corrected, the errors generated by these are taken into account when calculating the quality indicators.

The Chair thanked the participants for the rich exchange of views and concrete questions and suggested to continue addressing them on a bilateral basis.

## **4. Amendment of the Charter for the Dialogue**

#### *Summary of the presentation*

The ECB presented a proposal for a light amendment of the Charter of the Dialogue. The presenter explained that as the Dialogue is evolving towards the inclusion of topics on integrated reporting – including supervisory topics that demonstrate integration – the Charter might need to be amended. The presentation put forward a proposal for the extension of the scope of the dialogue and participation from the authorities' side beyond the ESCB, which would be reflected in the Charter.

### *Summary of the discussion*

The Dialogue participants supported the proposal. The Chair concluded that the Charter will be amended by end-2023.

## **5. Conclusions**

The Chair of the STC thanked everyone once again for their active participation in the Dialogue and concluded that she is confident that the integration of reporting will be a success. She then handed over to a representative of the banking industry who fully agreed with the Chair and added that even though the journey ahead of us is long, we need to be confident and trust what we are doing. It is important to continue the open dialogue. He raised three key takeaways from the industry's point of view: First of all, the right persons need to be appointed to the RCG. The selection can be based on a public call, but the banking industry is willing to help in making the final appointments. On the country-specific requirements, as much as possible should be included in IReF, as this would have the biggest impact on the reporting burden. Finally, regarding the parallel reporting phase, he stressed the preference of the industry for a short parallel run and a carefully planned testing phase.

The Chair announced that the next Dialogue meeting will take place in one year, in June 2024.

## Meeting participants

### Participating institution

### Name of participant

European Central Bank	Silke Stapel-Weber	Chairperson
	Hanna Häkkinen	Secretary Dialogue
	Vitaliana Rondonotti	Secretary STC
Banque Nationale de Belgique	Martine Druant	
KBC Group	Dorothy Van Saen	
Bulgarska Narodna Banka	Ana Murdzheva	
Komerční banka, a. s. / Czech Banking Association	Aleš Rieger	
Danmarks Nationalbank	Tue Mathiasen	
Danske Bank	Lotte Østergaard	
Deutsche Bundesbank	Stefan Brunken	
Commerzbank AG	Nils Gerstengarbe	
Deutsche Bank AG	Jörg Scharpe	
DZ BANK AG	Marc Ziegler (Co-Chair of the BIRD Steering Group)	
Eesti Pank	Jaanus Kroon	
Finantsinspektsioon	Helene Trušina	
Allied Irish Banks	Emer Fox	
Bank of Greece	Nikolaos Tsaveas	
	Antigoni Kallergi	
Alpha Bank / Hellenic Bank Association	Stylios Maridakis	
Banco de España	Carmen Garcia Panades	
Banco Sabadell	Fernando Elipe Tundidor	
BBVA	Julen Amuriza	
CaixaBank	María Carrasco	
Banque de France	Marie-Laure Barut-Etherington	
ACPR	Bertrand Couillault	
Société Générale	Pierre Lenormand	
Hrvatska narodna banka	Tomislav Galac	
Banca d'Italia	Laura Mellone	
	Massimo Casa (Co-Chair of the BIRD Steering Group)	
UniCredit	Luca Guarinoni	
Central Bank of Cyprus	Eliana Psimolophitou	

Latvijas Banka	Agris Caune
AS Citadele Banka / Finance Latvia Association	Irina Ševčenko
Central Bank of Malta	Jesmond Pule
MeDirect Bank / Malta Bankers' Association	Owen Camilleri
De Nederlandsche Bank	Fabienne Fortanier
ABN AMRO Bank N.V.	Rolf Otten
Rabobank	Mike Velthaak
Oesterreichische Nationalbank	Johannes Turner
Erste Group Bank AG	Emira Al-Baghdadi
Narodowy Bank Polski	Jarosław Jakubik
Banco de Portugal	Luis Teles Dias
Portuguese Banking Association	Pedro Fernandes
Banca Transilvania	Gheorghe Tomoiaga
Nova KBM d.d / Banking Association of Slovenia	Denis Mulalić
Národná banka Slovenska	Gregor Bajtay
Slovenská sporiteľňa, a. s. / Slovak Banking Association	Martin Reháček
Suomen Pankki	Elisabeth Flittner
Kuntarahoitus / MuniFin	Tanja Loman
Sveriges Riksbank	Jyry Hokkanen
Swedbank	Jason Mckee
European Banking Authority	Pilar Gutierrez
European Banking Federation	Francisco Saravia
European Savings and Retail Bank Group	Andreea Lungu
Single Resolution Board	Kristian Kjeldsen
SSM	Giuseppe Vulpes
ECB	Dominique Durant
	Björn Fischer
	Giancarlo Pellizzari
	Frank Mayerlen
	Hansjakob Schlaich
	Antonio Colangelo
	Jacek Socha