

Consultation Paper

On the Data Point Model related to the EBA draft Implementing Technical Standards on Supervisory Reporting Requirements for liquidity coverage and stable funding under the draft Capital Requirements Regulation



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1. Responding to this Consultation

The EBA invites comments on the attached documentation of the data point model (DPM), and in particular on what regards the semantic content of the DPM, i.e. the proposed categorisation of the data points/template cells, which should adequately and unequivocally reflect the meaning of the business concepts found in the underlying regulations and reporting templates.

Comments regarding the timing of the implementation of the supervisory reporting requirements, their scope of application, the extent of information covered therein and other matters put forward in consultation EBA/CP/2012/05 will not be processed here, as these have already been subject to that public consultation (see below). Further, comments on the chosen methodology and structure of the DPM will not be processed, as these do not affect the firms' reporting to their competent authorities.

Comments are most helpful if they:

- indicate the specific issue that might present a problem;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternatives the EBA should consider.

Please send your comments to the EBA by e-mail to EBA-CP-2013-04@eba.europa.eu by 13.05.2013, indicating the reference 'DPM - liquidity' on the subject field. Please note that comments submitted after the deadline, or sent to another e-mail address will not be processed.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please indicate clearly and prominently in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an e-mail message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.eba.europa.eu under the heading 'Legal Notice'.

2. Executive Summary

On 7 June 2012 the EBA launched a consultation in relation to draft Implementing Technical Standards (ITS) on supervisory reporting requirements for liquidity coverage and stable funding (EBA/CP/2012/05), based on the empowerment contained in Article 403(3)(a) of the draft Capital Requirements Regulation (CRR). On 20 December 2012, the EBA published feedback documents, including amended templates and related instructions (henceforth 'feedback documents') as a follow up to the consultation on EBA/CP/2012/05.

As the final draft ITS on supervisory reporting will become, eventually, part of the single rulebook with the particular aim of specifying uniform prudential reporting requirements, the implementation of the reporting requirements shall be based on uniform technical specifications of a granular level of detail. Hence the EBA Data Point Model (DPM) hereby proposed, based on the same as above empowerment.

The DPM covers all data items included in the draft ITS put forward in EBA/CP/2012/05, including the updated reporting templates and related instructions published on 20 December 2012 on the EBA website. It is a structured representation of the data included in the above documents, identifying all the business concepts and their relations, as well as validation rules. It contains all the relevant technical specifications necessary for developing an IT reporting format.

Besides the feedback provided to this consultation, the DPM will be finalised based on the final text of the CRR provisions and the related subsequent final data templates and instructions for supervisory reporting requirements for liquidity coverage and stable funding.

The EBA does not expect the DPM itself to impose any extra cost to institutions and national authorities. Indeed the DPM only consists in an IT-compatible representation of the reporting and does not contain any new requirements compared to the templates and instructions.

3. Background and rationale

On 7 June 2012, the EBA launched a consultation in relation to the draft Implementing Technical Standards (ITS) on supervisory reporting requirements for liquidity coverage and stable funding (EBA/CP/2012/05), based on the empowerment contained in Article 403(3)(a) of the draft Capital Requirements Regulation (CRR). On 20 December 2012, the EBA published feedback documents, including amended templates and related instructions (henceforth 'feedback documents') as a follow up to the consultation on EBA/CP/2012/05. These feedback documents do not represent final proposals but rather the position of the Authority regarding the supervisory reporting requirements for the liquidity ratios, in anticipation of the finalisation of the draft CRR.

Further, the consultation and feedback documents related to the draft ITS on supervisory reporting requirements for liquidity coverage and stable funding supplement the consultation paper on supervisory reporting for the COREP/FINREP framework (EBA/CP/2011/50). Similarly, this consultation on data point modelling (DPM) regarding reporting requirements for liquidity coverage and stable funding, supplements that of May 25 2012 on the DPM regarding COREP/FINREP (and the feedback published on August 29 on the EBA website).

The overall final draft ITS on supervisory reporting will become, eventually, part of the single rulebook enhancing regulatory harmonisation in Europe with the particular aim of specifying uniform data definitions for prudential reporting as well as IT solutions to be applied by credit institutions and investment firms. It will assist at implementing uniform reporting requirements which are necessary to ensure fair conditions of competition among comparable groups of credit institutions and investment firms.

The objectives of developing uniform reporting requirements are to achieve higher quality and better comparability of data as well as to reduce administrative costs faced by institutions in dealing with diverging reporting frameworks in several jurisdictions. Nevertheless, the adoption of harmonised reporting templates and related instructions regarding supervisory reporting requirements are not sufficient for achieving the above-mentioned aims. Higher data quality and a more effective data production process will only materialise if the implementation of the reporting requirements is based on uniform technical specifications of a granular level of detail.

Hence the launching by the EBA now, of a consultation regarding the Data point model IT solutions for supervisory reporting requirements for liquidity coverage and stable funding, based on the same empowerment as above, i.e. Article 403(3)(a) of the draft CRR. This is expected to achieve the aims mentioned above by describing the business concepts and their relations in the necessary detail, and by defining all the relevant technical specifications necessary for developing IT reporting formats and common dictionaries of terms that can be used in the institutions' databases. Hence the requirement in the draft ITS (EBA/CP/2012/05) that institutions shall comply with the specifications included in the data point model (DPM) according to the IT solution adopted at national level.

Timing and next steps

Based on the finalised related data templates and instructions of the ITS on supervisory reporting requirements for liquidity coverage and stable funding, (dependent on the final version of the CRR provisions), and taking into account, where appropriate, the feedback received to this consultation, a final DPM will be produced..

4. Content and methodology of the DPM

Content of the DPM

The DPM covers all data items included in the draft ITS put forward in EBA/CP/2012/05 together with the updated versions of the reporting templates and related instructions published on 20 December 2012 on the EBA website. In other words, it is a structured representation of the data included in the above documents, identifying all the business concepts and their relations, as well as validation rules. It contains all the relevant technical specifications necessary for developing an IT reporting format.

Potential changes in the CRR text as a result of ongoing negotiations among EU institutions will be reflected in the final draft ITS.

DPM methodology

Data Points are the unique concepts associated to the cells of the templates of the reporting frameworks, and they must unequivocally specify the data to be reported. They provide the fixed context for the actual reported values, the Data Facts, which are then further identified by the variable context of the report instance (e.g. Entity, Period, etc.).

The approach chosen by the EBA was to define the DPM as a fully dimensional model. Thus the DPM describes each Data Point of the reporting frameworks, by means of a specific and unique combination of Members of different Dimensions. Each dimension is a category of information considered necessary to classify the data facts, and the members are the possible instances of the dimensions: {[Main Category].[Cash]; [Amount type].[Nominal amount]} are examples of [Dimension] [Members] pairs used in the model.

The model can be seen as an n-dimensional space where dimensions are the axes, and members are the axes coordinates; each data point has a precise position in this space, defined by specific coordinates (a unique combination of [*dimension*].[*member*] pairs). A data point can be described by additional dimensions, for instance a data point can have two dimensions, i.e. {[Main category]. [All assets] and [Counterparty sector].[Central governments]}.

Other properties of data, like the data type (e.g. monetary, percentage...), the period type (stock/flow), the category of item (assets, exposures, off-balance sheet, memo items, etc.) are also explicitly assigned to the data points.

Each Dimension takes its members from one specific Domain. Domains can be derived from categories of concepts identified in the reporting framework (e.g. Type of assets, Risk weight, Impairment status, etc.).

Domain members can also be organised into Hierarchies, which are useful for understanding the breakdowns of data, and to define validations of summary data, across the parent-child structure of members.

The DPM also includes metadata describing the reporting templates, and the relation between template cells and data points, making it possible to know for each table cell its dimensional categorisation, and to know for each data point its respective coordinates within the updated reporting templates regarding supervisory reporting requirements for liquidity coverage and stable funding published on 20 December 2012 on the EBA website.

Validation rules

To facilitate uniform implementation and avoid implementation problems, it is necessary to include validation rules (quantitative relations between rows and columns of each template, and among templates) in the final draft ITS.

In order to get feedback on technical details, a first set of validation rules are included for consultation purposes in Annex II.

4.1 Annexes

The following documents show the link between the individual data points and the relevant cells in the templates regarding supervisory reporting requirements for liquidity coverage and stable funding as published on 20 December 2012 on the EBA website.

- Annex I of EBA/CP/2013/04 - Templates and Data Point Codes (MS Excel file)
- Annex II of EBA/CP/2013/04 - Validation rules

5. Accompanying documents

5.1 Draft Cost- Benefit Analysis / Impact Assessment

The main objectives of developing a Data Point Model (DPM) are the following:

- Provide a detailed standard technical description of the data in order to ensure a common interpretation, which in turn will help reporting entities when implementing new reporting requirements.
- By focussing on the logical structure of the information, and not on the structure and context of specific templates, the data point definitions become independent of any particular views of data, providing the base ground for analytical exploration, and enabling future redesign of templates in a more homogenous and consistent manner.
- Applying a logical and formal approach in describing data using commonly known concepts eases communication between business experts and IT experts.
- IT data exchange formats, and in particular XBRL taxonomies can be produced based on the DPM without depending on the knowledge and availability of business experts.

The data point model has been designed to help institutions to complete their regulatory returns for liquidity coverage and stable funding in the most efficient and economic way and is expected to ensure that firms report on a broadly consistent basis. The validation rules proposed in Annex II should make it easier for institutions to complete the templates and for the national authorities to evaluate the data.

The EBA does not expect the DPM itself to impose any extra cost to institutions and national authorities. Indeed the DPM only consists in normalising the reporting and does not contain any new requirements compared to the templates and instructions.¹

¹ Cf. details in consultation on Draft Implementing Technical Standards on Supervisory reporting requirements for institutions <http://eba.europa.eu/cebs/media/Publications/Consultation%20Papers/2011/CP50/CP50-ITS-on-reporting.pdf>