

**Update on the Data Gaps Initiative and the Outcome of the  
Workshop on Data Sharing**

**Inter-Agency Group on Economic and Financial Statistics**

**March 2017**

**This Report was prepared by the Inter-Agency Group on Economic and Financial Statistics (IAG)<sup>1</sup>**

**The Member Agencies of the IAG are:**

Bank for International Settlements (BIS)  
European Central Bank (ECB)  
Eurostat  
International Monetary Fund (IMF, Chair)  
Organization for Economic Co-operation and Development (OECD)  
United Nations (UN)  
World Bank

The Financial Stability Board (FSB) Secretariat also participates in the IAG meetings.

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<sup>1</sup> The IAG was established in 2008 to coordinate international statistical work following the financial crisis.

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**ACRONYMS**

DGI	Data Gaps Initiative
DGI-2	Second Phase of the Data Gaps Initiative
FMCBG	Finance Ministers and Central Bank Governors
FSB	Financial Stability Board
G-20	The Group of Twenty
IAG	Inter-Agency Group on Economic and Financial Statistics
IMF	International Monetary Fund
INEXDA	The International Network for Exchanging Experiences on Statistical Handling of Granular Data
ISIN	International Securities Identification Number
LEI	Legal Entity Identifier
LEID Number	Legal Entity Identifier Number
MNE	Multinational Enterprises
OECD	Organization for Economic Co-operation and Development
SDMX	Statistical Data and Metadata eXchange

## EXECUTIVE SUMMARY

*In September 2016, the G-20 Leaders welcomed the First Progress Report of the second phase of the G-20 Data Gaps Initiative (DGI-2)<sup>2</sup> and supported the proposed action plans for the implementation of its twenty recommendations.*

*This report by the Inter-Agency Group on Economic and Financial Statistics (IAG) provides an update on progress in implementing the DGI-2 work program for 2017 and summarizes the outcomes of the thematic workshop on data sharing. The report is to inform the G-20 Finance Ministers and Central Bank Governors (FMCBG), at their March 2017 meeting.*

**The DGI-2 work program for 2017 encompasses four thematic workshops, bilateral meetings with participating economies, quarterly videoconferences of the IAG, and the annual Global Conference for senior-level representatives in June 2017.** Throughout these events, coordination in the implementation of DGI-2 is ensured among IAG member agencies, FSB Secretariat, as well as participating economies.

**The first thematic workshop, on Recommendation II.20 of the DGI-2 on data sharing, has already taken place and has set out seven recommendations to promote data sharing (Annex 1).** It aimed at creating a platform where participating economies exchanged practical experiences on data sharing with focus on the main obstacles preventing the sharing of granular data and the possible approaches to overcome such obstacles.

**The IAG member agencies support the seven recommendations and will encourage the participating economies to overcome the identified obstacles to data sharing.** The overall progress in implementing the DGI-2 during 2017 will be monitored and reported to the G-20 FMCBG for their October 2017 meeting, through the Second Progress Report of the DGI-2.

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<sup>2</sup> The First Progress Report of the DGI-2 is available at <http://www.imf.org/external/np/g20/pdf/2016/090216.pdf>. It includes twenty recommendations as well as the action plans for the implementation of these recommendations agreed by the participating economies and the international organizations in the first half of 2016. An overview of the DGI-2 recommendations is provided in Annex 2.

## I. PROGRESS IN IMPLEMENTING THE DGI-2 WORK PROGRAM FOR 2017

1. The four thematic workshops indicated above are as follows:
  - a) **Data sharing**, organized by the IMF and Eurostat, in cooperation with and hosted by the Deutsche Bundesbank in Frankfurt am Main, Germany, during January 31–February 1, 2017. (Recommendation II.20 on the promotion of data sharing).
  - b) **Data gaps on systemic risk in the insurance sector**, to be organized and hosted by the Financial Stability Board (FSB) and the International Association of Insurance Supervisors in Basel, Switzerland on March 14, 2017. (Recommendation II.4 on global systemically important financial institutions).
  - c) **Institutional sector accounts**, to be organized by the Organization for Economic Cooperation and Development (OECD) and the IMF, and hosted by the OECD in Paris, France, during April 10–12, 2017. (Recommendation II.8 on sectoral accounts).
  - d) **Financial Soundness Indicators**, to be organized and hosted by the IMF in Washington, D.C., U.S.A., during April 26–28, 2017. (Recommendation II.2 on financial soundness indicators).
2. In addition to the thematic workshops, other key events are included in the DGI-2 work program for 2017. These include regular quarterly videoconferences of the IAG and bilateral follow-up discussions of international organizations with participating economies, leading to the annual Global Conference<sup>3</sup> to be hosted by the IMF during June 14–15, 2017 in Washington, D.C.

## II. THE THEMATIC WORKSHOP ON DATA SHARING

### A. Background

3. In the increasingly globalized economic and financial environment where entities are becoming more interconnected within and across borders, sharing of detailed information is becoming more important for better informed decision-making. In September 2015, a new recommendation (Recommendation II.20 on promotion of data sharing) was included in the DGI-2 aiming at promoting the sharing and accessibility of economic and financial statistics.
4. Despite the increasing need for data sharing, the efforts to make available and share granular information face significant difficulties. The key barriers against availability include (i) existing legal frameworks and administrative arrangements that can impede data sharing

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<sup>3</sup> The annual Global Conferences of the DGI are attended by senior-level representatives from all G-20 economies and from the non-G-20 FSB member economies.

at national and international levels, (ii) technical and financial challenges associated with de-identification of confidential data to protect statistical confidentiality, (iii) cultural constraints.

5. Aggregated data may mask key information on drivers and effects of changing patterns in an economy, which could be observed using more granular information. Given the central role of the financial sector during the 2007/08 global crisis, more granular data on financial institutions and markets are increasingly being requested by policy makers to help straddle the divide between micro and macro analysis. Sharing of granular data would also contribute to a comprehensive and accurate view of developments in markets that are deeply interconnected across different jurisdictions.

6. At the same time, granular data provide the opportunity to improve the quality of aggregate statistics. If shared, these data allow statistical compilers to identify and resolve inconsistencies between data compiled in different institutions and jurisdictions. Against this background, and with a view to facilitate the implementation of Recommendation II.20 of the DGI-2, an informal group of representatives from G-20 economies, and relevant regional/international organizations (“the Group”), was created in July 2016 to share experiences on data sharing with a specific focus on granular data. The Group was chaired by the IMF and Eurostat, in cooperation with the Deutsche Bundesbank.

7. Furthermore, to facilitate the implementation of the relevant targets of the action plan for Recommendation II.20, a thematic workshop on data sharing (“the Workshop”) was held during January 31–February 1, 2017 in Frankfurt am Main, Germany.<sup>4</sup> The Workshop benefited from the contributions of almost 90 participants, from G-20 economies, international organizations, non-G-20 FSB member economies, and other non-G-20 jurisdictions that have practical experience in data sharing.

## **B. Key Outcomes and Recommendations of the Workshop**

8. The key outcomes of the Workshop included agreement on a common terminology on data sharing, the identification of main barriers preventing the sharing of disaggregated data and micro data (including cross-border disaggregated data), and discussion on possible approaches to overcome such barriers. The Workshop, which focused on economic and financial data, concluded with seven recommendations aiming to provide guidance to national and international authorities as well as to encourage increased accessibility and sharing of granular data.

**Scope of the Workshop:** The discussions covered data sharing at both national level (within and among relevant institutions within the respective economies) and international level

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<sup>4</sup> Prior to the Workshop, the Group held a meeting at the IMF on November 16, 2016 in Washington, D.C., with the participation of the representatives of the G-20 economies and international organizations.

(between different jurisdictions as well as between national authorities and international organizations).<sup>5</sup>

**Terminology—the following types of data were identified:**

**Aggregated data:** data aggregates that have a low likelihood of identification of individual reporting units, such as those found in traditional datasets (e.g., those covered by most of the DGI-2 recommendations).

**Disaggregated data:** data below the level of aggregated data and with a higher likelihood of identifying individual reporting units than in the aggregated data.

**Micro data:** data on individual reporting units or specific transactions/instruments, which in most cases allow the identification of individual entities and therefore considered confidential. In addition, publicly available data on individual reporting units are considered non-confidential although they can still be subject to data sharing limitations due to commercial property rights.

**Granular data:** disaggregated data and micro data.

9. The seven recommendations concluded by the Workshop, which are presented in detail in Annex 1, are as follows:<sup>6</sup>

**Recommendation 1:** *Promoting the use of common statistical identifiers*

**Recommendation 2:** *Promoting the exchange of experience on statistical work with granular data and improving transparency*

**Recommendation 3:** *Balancing confidentiality and users' needs*

**Recommendation 4:** *Linking different datasets*

**Recommendation 5:** *Provision of data at the international level*

**Recommendation 6:** *Consideration of ways of improved data sharing of granular data*

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<sup>5</sup> Issues related to data sharing and cooperation among the international organizations are being addressed within the scope of Recommendation II.19 of the G-20 DGI-2 and therefore are not covered by the work of the Group.

<sup>6</sup> The recommendations are based on the experiences of participating economies', which were presented at the workshop in Frankfurt am Main, during January 31–February 1, 2017 and are available at <http://www.principalglobalindicators.org/?sk=E30FAADE-77D0-4F8E-953C-C48DD9D14735&sId=1433357451568>.



***Recommendation 7: Collection of data only once*****C. Conclusions**

10. There is recognition that shifting from traditional aggregated statistics to include the flexible use of granular data would contribute to an increased availability of data for policy use, even though it may require time. The IAG member agencies and participating economies will continue to work on identifying the obstacles to data sharing and explore possibilities of overcoming such obstacles based on the seven recommendations indicated above.

11. The Workshop agreed on the following main principles:

- National authorities should, to the extent possible, consider reviewing their data sharing frameworks to maximize the amount of information which can be shared on a “need to know” basis, including at the international level. In some cases, restrictions on data sharing may not be solely due to legal reasons but also to technical, financial and cultural constraints. To facilitate a more open and transparent approach to data sharing, national authorities should consider reviewing such non-legal restrictions, wherever possible. Ways to overcome barriers against data sharing need to be considered, as relevant, taking into consideration the differences in administrative, cultural and historical backgrounds across jurisdictions.
- National authorities and international organizations should aim at building and maintaining trust between all relevant parties, including data users and data producers by striking a balance between making more data available for users while maintaining confidentiality.
- National authorities should place emphasis on facilitating the sharing of data at the national level across and within relevant institutions, which would also contribute to further sharing of data at the international level.
- Definitions of data and the use of standard statistical methods and classifications should be harmonized, where appropriate, within and across jurisdictions and accompanied with high quality metadata. To this end, further standardization of data, particularly of those that are key for policy making and surveillance, and adherence to international frameworks would contribute to reducing the reporting burden. It would also significantly improve the quality and comparability of available information and any aggregation process. Ways to promote the adoption of common identifiers should also be considered.
- Focal contact points on respective areas of work should be identified by national authorities and shared within and across jurisdictions to facilitate access to the right

contacts. The DGI Contact Group Members<sup>7</sup> could serve as first contact points for questions on data sharing and accessibility.

- National authorities should work towards adoption and implementation of the agreed latest standards for data transmission (e.g., Statistical Data and Metadata eXchange (SDMX)).

### **III. WAY FORWARD ON DATA SHARING**

12. This report is mainly to inform the G-20 FMCBG of the seven recommendations concluded at the Workshop to promote data sharing, as set out in Annex 1. The overall progress in implementing the DGI-2 will be monitored and reported to the G-20 FMCBG for their October 2017 meeting, through the Second Progress Report of the DGI-2.

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<sup>7</sup> DGI Contact Group Members are senior-level officials identified by the G-20 national authorities to serve as main contacts for the IAG on the DGI. These officials are first contact points on the annual monitoring reports, attend the global conferences, and coordinate with the policy departments of their respective institutions.

## Annex I. Recommendations Concluded at the Workshop on Data Sharing

### (1) Promoting the use of common statistical identifiers

*Economies and international organizations, as appropriate, are encouraged to foster the use of common identifiers and make every effort to adopt the latest international conceptual frameworks.*

Internationally agreed common identifiers (e.g., Legal Entity Identifier (LEI), Unique Transaction Identifier, Unique Product Identifier, International Securities Identification Number (ISIN)) would help aggregating, linking and managing data. Minimizing registration and maintenance costs for enterprises or offering these services for free as a public service could be a way to increase the use of common identifiers, in particular the LEI for entities and the ISIN for instruments. Authorities should also consider including the LEI in their data disseminations and data collections, mandating its use, as appropriate. In this context, economies and relevant international organisations, the Global LEI Foundation and the LEI Regulatory Oversight Committee should continue working together to further investigate all ways to promote wider use of the LEI, enabling a better coverage of the non-financial sector and linking to existing identifier systems that already have very wide coverage, such as the Legal Entity Identifier Number (LEID Number) of Eurostat, the BIC-Code of SWIFT and the ISIN.

Adoption of the latest regional and international conceptual frameworks (e.g., *System of National Accounts 2008*, the *Balance of Payments and International Investment Position Manual*, sixth edition, the *Government Finance Statistics Manual 2014*, the *2015 Guidelines for reporting BIS International Banking Statistics*) is vital for the standardization, consistency, and comparability of datasets regionally and internationally.<sup>8</sup>

### (2) Promoting the exchange of experience on statistical work with granular data and improving transparency

*Economies are encouraged to have a more active dialogue and exchange of practical experiences, in particular on the accessibility of granular data, metadata, and on techniques for statistical analysis and data protection.*

Transparency about available granular datasets and the respective rules for accessing the data are needed for a well-informed analysis and research. Exchanging practical experiences on statistical work with existing granular data would facilitate understanding the obstacles and identifying possible approaches for an improved use of granular data for policy, research, and statistical purposes without jeopardizing the respective confidentiality regimes. It would also

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<sup>8</sup> For the exchange of statistical information, the SDMX initiative has developed standards which have proven to be successful in practice.

create a basis for deeper investigating possibilities to harmonize access procedures and metadata structures, to develop comparable structures for existing data, and to further foster efficiency of statistical work with granular data.

The International Network for Exchanging Experiences on Statistical Handling of Granular Data (INEXDA)<sup>9</sup>—a cooperation project launched by the Banca d’Italia, the Banco de Portugal, the Bank of England, the Banque de France, and the Deutsche Bundesbank provides a good example of international co-operation and for intensifying and enhancing ongoing work. The Conference of European Statisticians Task Force on the exchange of economic data, particularly on the activities of multinational enterprises (MNEs) as well as the BIS Irving Fischer Committee work on data sharing are other examples for exchanging experiences in the context of data sharing.

### (3) **Balancing confidentiality and users’ needs**

*Economies are encouraged to revisit existing confidentiality rules, practices, and approaches in light of evolving users’ needs and taking into account peer practices, seeking to maximize, as appropriate, the amount of information released while maintaining the confidentiality of data deserving protection.*

Data compilers should strike a balance between maintaining relevance and trust taking into consideration the needs and perspectives of users (both for policy making and research) when assigning confidentiality restrictions to data. Efforts should be made to release as much information as possible and appropriate, considering that certain data may have already been made publicly available and that the need for confidentiality may diminish over time. For example, in some cases even data that are published on the web are considered by national authorities as confidential and, therefore not made publicly available through official statistics.

Broadening the use of existing passive confidentiality rules—i.e., applying confidentiality only when reporting entities ask for it—could also be considered. The concept of passive confidentiality—has worked well in external trade statistics over decades. In addition, when assigning confidentiality levels to datasets, the potential number of reporters could be considered rather than their actual number (e.g., in the context of minimum three reporters rule). Getting consent from the data reporting entities, publication of more and comparable aggregated data and sharing of qualitative data without quantitative information as well as improvements in metadata could be among other ways of improving data sharing.

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<sup>9</sup> The network is open to other central banks, national statistical institutes, and international organizations.

**(4) Linking different datasets**

*Economies are encouraged to allow for the fullest possible use of data (for policy making, research, and statistical purposes) including through linking of different non-public datasets (possibly from different institutions) ensuring that strong governance and confidentiality protection arrangements are in place.*

Use of common identifiers to the extent possible (see Recommendation 1) would be useful in linking different datasets. Resulting datasets may be assigned with different confidentiality levels than the underlying datasets, and may require application of other forms of anonymization as they may include further details increasing the risk of identification of reporting entities. Redistribution of granular data aggregated at the international level (i.e., through a global aggregator), linking datasets from different sources across jurisdictions, may alleviate some of the confidentiality issues. In such cases, the global aggregator may need access to micro-data for aggregation purposes (e.g., to avoid double counting) not to be shared beyond the global aggregator.

**(5) Provision of data at the international level**

*Economies are encouraged to have in place regional and international data exchange systems and appropriate legal frameworks to allow for sharing and exchange of granular data across borders.*

Understanding the effects of globalization, the behaviour of financial and non-financial multinationals (including the potentially major impacts of reorganization of cross-border business structures), interconnectedness and interdependencies require the combination and exchange of disaggregated and, possibly micro data at the international level. Efficient and secure mechanisms for data sharing between relevant jurisdictions (including with the cooperation of the MNEs concerned) and with international organizations would ensure that such effects are recorded consistently and that an accurate global perspective could be obtained. Such mechanisms would also increase the overall quality of data by helping to reduce information asymmetries and allow for the correct and timely allocation of the activities of MNEs to national jurisdictions.

Where needed, overhaul of existing or passing new legal texts about data should address data sharing and accessibility also at international level, in line with what is suggested at national and potentially regional levels (see Recommendation 7). Standards for sharing of and/or access to international granular datasets could be developed and reviewed on a regular basis based on the best practices (see Recommendation 3). Authorities are encouraged to make use of existing regional tools to the extent possible.

**(6) Consideration of ways of improved sharing of granular data**

*Economies are encouraged to consider alternative forms of access to granular, potentially micro data, taking into consideration the confidentiality restrictions and users' needs.*

Where existing and well-justified restrictions do not allow for sharing of granular/micro data, alternative forms of access<sup>10</sup> (e.g., remote execution, working with the data in the producing agency, guest visits to a secure environment) or different forms of anonymization (formal, factual or absolute<sup>11</sup>) should be considered in the context of decision-making about the dissemination of existing or new datasets to data users (for research and policy purposes).

**(7) Collection of data only once**

*Economies are encouraged to avoid multiple collections of the same data by promoting flexible uses of existing datasets to minimize the reporting burden. Increased sharing of data among relevant institutions at the national level should be a key priority.*

Support should be given to initiatives that aim to minimize the burden of data collection at the national, and potentially regional level (e.g., SDMX, open data platform), and support well justified and flexible uses of data and metadata. To this end, national authorities are encouraged to facilitate data sharing at the national level (among the public institutions such as central banks, national statistical offices, supervisors). Harmonization or alignment of definitions, statistical methods, classification systems and development of common datasets would also contribute to the reduction of reporting burden. Inter-agency cooperation is essential to avoid operational issues that may be faced in common datasets.

Every overhaul of existing or introduction of new legislations (or legal texts to the extent possible) which may have implications for data collection (including for administrative uses) should address data sharing and accessibility at national and potentially regional levels to prevent duplicated information requests by different authorities. To this end, data compilers should be involved early on in—and should have the ability to influence—the process of reporting development and other areas of work that may be relevant for their data collection systems, including administrative data. National authorities could create common statistical infrastructures with access given, as appropriate, both to respondents and national, regional and international institutions. In particular, official statistics should make use of other data sources including administrative and commercial data access (where they can be re-used) to the extent appropriate. National authorities should be given facilitated access to such data sources.

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<sup>10</sup> In fact, some of these access forms are typically used even when sharing of granular/micro data is allowed.

<sup>11</sup> One of the traditionally used techniques for anonymization is aggregation.

## Annex II. Overview of DGI-2 Recommendations

<b>II.1:</b> Mandate of the DGI
<b>Monitoring risks in the financial sector</b>
<b>II.2:</b> Financial Soundness Indicators (FSI) <b>II.3:</b> FSI Concentration and Distribution Measures (CDM) <b>II.4:</b> Data for Global Systemically Important Financial Institutions (G-SIFIs) <b>II.5:</b> Shadow Banking <b>II.6:</b> Derivatives <b>II.7:</b> Securities Statistics
<b>Vulnerabilities, Interconnections, and Spillovers</b>
<b>II.8:</b> Sectoral accounts <b>II.9:</b> Household Distributional Information <b>II.10:</b> International Investment Position (IIP) <b>II.11:</b> International Banking Statistics (IBS) <b>II.12:</b> Coordinated Portfolio Investment Survey (CPIS) <b>II.13:</b> Coordinated Direct Investment Survey (CDIS) <b>II.14:</b> Cross border exposures of non-bank corporations <b>II.15:</b> Government Finance Statistics (GFS) <b>II.16:</b> Public Sector Debt Statistics Database (PSDS) <b>II.17:</b> Residential Property Prices (RPPI) <b>II.18:</b> Commercial Property Prices (CPPI)
<b>Communication of Official Statistics</b>
<b>II.19:</b> International Data Cooperation and Communication <b>II.20:</b> Promotion of Data Sharing