

Key Messages

FSB/IMF Global Conference on the Second Phase of the G-20 Data Gaps Initiative (DGI-2) Basel, Switzerland

May 30–31, 2018

I. The Second Year of DGI-2 Implementation

- Considerable progress was made by the participating economies since the 2017 DGI Global Conference. Countries advanced in areas such as shadow banking, with the narrow measure now covering all participating economies; reporting of G-SIBS I-A Phase 3 data, with almost all relevant jurisdictions already transmitting or about to transmit data to the International Data Hub; sectoral accounts, with several countries improving the coverage, timeliness, and periodicity for financial and nonfinancial accounts; international investment position (IIP), with all G-20 countries now providing quarterly IIP data with quarterly timeliness; and the Coordinated Portfolio Investment Survey, with all G-20 countries now reporting on a semi-annual basis.
- G-20 countries expressed strong continued commitment to the initiative underscoring the importance of DGI for the improvement of the “global information system” for financial stability and international policy coordination.
- Furthermore, the non-G-20 FSB jurisdictions keep contributing to the Initiative and agreed to have a separate monitoring “traffic lights” dashboard in the upcoming Third Progress Report of the DGI-2 for those recommendations that they are currently implementing.
- Positive developments also took place in areas with synergies with the DGI-2. For example, the number of issued Legal Entity Identifiers (LEIs) has more than doubled since August 2017 reaching the 1,200,000-mark in early June 2018.
- DGI work is also very relevant to support the G-20 Argentinian Presidency in 2018. Several DGI-2 recommendations are supportive of the “future of work” and “infrastructure for development” workstreams. Furthermore, the DGI work also supports advancing the G-20 discussions on global economic conditions.
- Key challenges remain. Progress at country level is highly dependent on resource allocation for the implementation of the DGI-2 recommendations. Several participants emphasized that strengthened interagency coordination at both national and international level is key to further advance with DGI-2 implementation, especially with Rec. II.8 on sectoral accounts, and suggested that awareness is raised on this matter at the high political level through the Third Progress Report. To facilitate progress in this area, it was also suggested that the DGI-2

contact persons (i.e., representatives of key agencies in each DGI participating economy) are kept informed of relevant developments in all recommendations regardless the national agency in charge for a specific recommendation.

- Some participants stressed that additional guidance is needed for some recommendations. These include Rec. II.7 on securities statistics (related to market/nominal value for nonmarketable securities); Rec. II.3 on concentration and distribution measures—CDMs (on the actual compilation of data); Rec. II.9 on household distributional information; and Rec. II.18 on commercial property prices (CPPI). The OECD clarified that the compilation guidance related to Rec. II.9 will become available in the first half of 2019. In terms of specific recommendations, participants underscored that a most challenging one remains II.8 on sectoral accounts. Another key challenge relates to the implementation of advanced IT systems that would facilitate the collection, compilation, and dissemination of the DGI-2 targets.

II. Outcomes of the 2018 Thematic Workshops and Other Developments

Participants welcomed the outcomes of all three thematic workshops organized during 2018.

RPPI/CPPI Thematic Workshop

- The workshop (January 29–30) was jointly organized by BIS, Eurostat, IMF, and OECD and hosted by INDEC. It highlighted the good progress with the compilation and dissemination of residential property prices—RPPI (with BIS RPPI statistics covering 19 G20 economies); endorsed the RPPI template for reporting residential property prices and related indicators; and underscored the challenges that remain with CPPI compilation. The workshop concluded that the way forward should be pragmatic, data-oriented, and taking account of available private source data (for countries where no official indicators exist).
- Eurostat took the opportunity to inform the conference participants on the upcoming International Conference on Real Estate Statistics planned in February 2019, an event that is being organized in close cooperation with the ECB. The conference will build on the outcomes of the January workshop and Eurostat’s methodological guidance paper, and will help to develop capacity building, and facilitate exchange of national experiences. It will also discuss the medium- and long-term perspective for official statistics in this area. A call for papers will go out soon. A dedicated Task Force is in the progress of being set up to prepare the Conference and the methodological and practical agenda to take the work forward.
- Participants agreed that the short-to medium-term approach to advance work on real estate statistics, especially on CPPI, should be pragmatic, assessing all sources including administrative and private sector sources, taking account of users’ needs/ manage user expectations, and being clear of what is being measured. However, participants also agreed with the importance of a long-term perspective to develop CPPIs as part of official statistics.

Institutional Sector Accounts Thematic Workshop

- The workshop (February 14–16) was organized by the OECD and the IMF and focused on the finalization of the templates, and on the exchange of experiences with compiling institutional sectoral accounts data. The workshop highlighted good progress owing not least to an increasing user demand for other indicators than GDP.
- Based on countries' feedback, templates were revised moving some breakdowns from target requirement to encouraged items. Some of those items (e.g., breakdowns by remaining maturity and by currency) are highly relevant for users and countries are encouraged to provide related information, if available.
- Currently, the templates have been endorsed by about half of the G-20 economies. Countries that did not respond are requested to do so as soon as possible, and no later than June 29. *IMF will send out a reminder after the conference (DONE).*
- To facilitate long-term developments, the OECD plans to prepare by end-2019 a compilation guide on institutional sectoral accounts that will consolidate experiences on both non-financial and financial accounts and balance sheets, and be based on countries' expertise on sources, methods and balancing procedures. A survey on an inventory on sources and methods will be sent out to countries in due course. The OECD also put forward the possibility of organizing a third workshop on institutional sectoral accounts.
- Participants welcomed the work on the compilation guide/preparation of an inventory of sources and methods leading to such a guide. The classification of units into sectors/delineation of sectors, the consistency between nonfinancial and financial accounts, and the classification of nonfinancial assets (e.g., intangible assets) were stressed as important topics that should also be covered by the guide. The participants also welcomed the OECD suggestion of a third thematic workshop on institutional sectoral accounts, and suggested that users of sectoral accounts data would also be invited. *OECD will look for possible dates for a workshop.*
- Participants broadly acknowledged the utmost importance of national interagency coordination to advance Rec. II.8. In this context, suggestions were also made to include central banks in the preparation of the compilation guide.

Securities Statistics Thematic Workshop

- The second Thematic Workshop was held on 21-22 March 2018 at the IMF, jointly organized by the BIS, ECB and IMF. The workshop followed up on the results of the first workshop (2016), at which the G-20 economies had agreed on a set of templates for the reporting of issuance, holdings, and from-whom-to-whom securities statistics to the BIS. They also included information on the core requirements into self-commitments that were made public.

- At the 2018 workshop, representatives from 22 G20 and non-G20 FSB economies, the FSB, and the Working Group on Securities Databases discussed the actions still required to implement Rec. II.7. Participants confirmed their self-commitments and agreed on the operational details for the reporting of the 2018 intermediate target data; including timeliness, frequency, and backward historical data. Reporting should start with data for reference date Q4/2018 to be reported at the latest in May 2019. The workshop supported the voluntary use of the Global Data Structure Definition for Sector Accounts for the reporting of securities statistics to the BIS in the context of Rec. II.7.
- The workshop also benefitted from a rich exchange of experiences on the challenges in the implementation of Rec. II.7; the use of security-by-security (SBS) databases; and the benefits of greater standardization of SBS data through the use of global unique identifiers, such as the LEI. A third workshop on securities statistics will be held in 2020 to prepare for the 2021 data provision of Rec.II.7.

Questionnaire on Data Sharing

- Eurostat and the Deutsche Bundesbank introduced the draft questionnaire on the implementation of Recommendation II.20-Promotion of Data Sharing. The questionnaire was prepared in response to suggestions made at the 2017 DGI Global Conference.
- Some participants voiced reservations about the structure of the questionnaire, its timeline, the preparation of consolidated responses given that different national agencies have different perspectives/positions, and the burden to collect and centralize such responses specifically in countries with decentralized statistical systems. Suggestions were made for the questionnaire to invite countries to provide references to their national legislations, make a distinction between external and internal sharing of granular data, and clarify the type of granular data sets targeted by the questionnaire.
- Eurostat and the Bundesbank will collect additional comments on the questionnaire from the participating economies by end-June 2018 through written procedure, and prepare an amended version of the questionnaire for consultation with countries.

III-IV. The DGI-2 at its Midpoint: Challenges Ahead

- During this session, presentations were made by China, Mexico, South Africa, Italy, Brazil, and Spain. All presentations highlighted substantial progress in implementing the DGI-2 targets, and in some instances, even some more advanced ambitions, while acknowledging the key challenges ahead and presenting planned activities to tackle these challenges. An especially encouraging approach is the setting up by one country of a DGI-Network comprised of experts in statistics, supervision and research that regularly discuss progress and next steps with the DGI implementation. Countries that are already SDDS Plus adherents underscored the synergies between this data standard and the DGI-2.

- The central presentation at this year's Conference was the presentation delivered by the IMF on behalf of the Inter-Agency Group on Economic and Financial Statistics (IAG). The presentation aimed to clarify for each of the DGI-2 recommendations (i) the targets; (ii) where we are at the midpoint of the initiative; and (iii) key challenges going forward. Given the focus of the DGI-2 on the compilation of reliable and timely statistics for policy use, the presentation discussed data collection arrangements for each recommendation (e.g., availability of data templates, and which agency collects the data). The presentation facilitated the discussion of the remaining challenges that should be tackled by 2021. It was intended as a key input for the Third Progress Report to be submitted to the G-20 in September 2018, as well as to identify the main outstanding issues.
- Key challenges include: integration and balancing of nonfinancial and financial accounts; compilation of the quarterly institutional sectoral accounts; financial accounts and balance sheets details (e.g., Money Markets Funds); stocks of nonfinancial assets; IIP currency breakdown for the nonfinancial sector where there is no reporting mandate over these entities; identification of OFCs in the IIP and in shadow banking; and reporting on securities financing transactions data as of end-2018. As mirrored by the January 2018 thematic workshop, CPPI remains a major challenging area; some participants expressed reservations in meeting the target of CPPI by 2021. Furthermore, the measurement of government deficit and debt remain challenging for the general government sector. Also, challenges were much higher where a large informal economy exists and where the compilation exercise involves sub-national entities.
- Some participants also mentioned the lack of international legal documents/framework to support international data sharing (while recognition should be given to the fact that important obstacles for data sharing are at the national level), and also suggested that some guidance should be further clarified, such as for Rec. II.6 especially for Islamic banks. In some cases, in addition to human resources constraints, new regulations are needed and new IT systems should be developed to further advance work.
- A suggestion was made to emphasize in the Third Progress Report the cost of maintenance of DGI-2 datasets (e.g., enhanced expertise in presenting the data in the most meaningful way) in addition to the cost of implementation (collection and compilation of datasets). Also, to facilitate the compilation of CDMs, participants suggested that the IMF prepare a standard calculation tool for the use by countries.
- Going forward, it was stressed that enhanced political support is crucial to sustain the effectiveness and credibility of the DGI-2. Also, there is scope to enhance the coordination among international organizations (IOs) to coordinate statistical requirements to reduce the reporting burden on national compiling agencies. To facilitate a better coordination at the IO level, the participating economies are encouraged to convey this feedback to various policy groups in charge of the various data requirements. The IAG could play a role in this respect. Messages can be sent to the IMF as chair of the IAG.

V. Users' Perspective on the DGI-2

- During this session, presentations were made by the BIS (capital flows analysis and data gaps), Korea (Korea's capital flows and relevant data gaps from a user's perspective), Bank of Japan (Japan's initiatives to monitor the shadow banking system), and Banque de France (overview and achievements of the BIS International Data Hub). The Head of the BIS International Data Hub and the Chair of the Hub Governance Group also attended the latter session. The presentations underscored the importance of data sets produced in the context of Recommendations II.4, II.5, II. 7, II.8, II.10-II.14, and II.20.
- In the context of the discussion on capital flows and data gaps, the participants emphasized the usefulness of granular data related to sectoral and currency breakdowns, as well as From-Whom-To-Whom data (encouraged items under II.8). Given the importance of SPEs in analyzing capital flows, the work of the Task Force on SPEs, set up by the IMF's Committee on Balance of Payments Statistics, was acknowledged as an important opportunity towards addressing the data distortions caused by SPEs globally. In the context of the discussion on shadow banking, participants reiterated the importance of the communication between statisticians and the experts of the shadow banking monitoring exercise, and of the synergy between Rec. II.8 (from-whom-to-whom data) and other DGI-2 recommendations. Participants also stressed the need to produce additional data to compile risk metrics.
- Participants underscored the importance to find the right balance between users' needs and the production of statistics; to this end it is imperative to identify and prioritize what is key for policymakers and the society as a whole and what can realistically be achieved by statisticians with the available resources.

VI. The 2019 Work Program

- During this session's discussions, a few clarifications were provided by the IAG member agencies to queries raised during the previous day's session on the DGI-2 at midpoint. Regarding the future of the DGI, it was clarified that this should be up to the G-20 Finance Ministers and Central Bank Governors. It was acknowledged that it will be useful to highlight in the upcoming Third Progress Report the key barriers that hamper the implementation of DGI-2 recommendations/data improvements (e.g., resources, data access, absence of some global standards). It was also clarified that the CDMs template was circulated to participating countries for review. Further, clarifications were provided on the reporting of security financing transactions—SFTs (2019 to be considered as a pilot period, subject to FSB Plenary approval) and on Unique Transaction Identifier implementation. Also, clarifications were provided on the revision of the IBS reporting guidelines, targeted to be published by 2019 after their review by reporting authorities. Lastly, on the inquiry on the availability of a website with all reporting templates, it was clarified that the PGI website contains all relevant information and the link will be shared with the participants after the conference.

- A tour-de-table was also organized to seek the participants' feedback on main difficulties to achieve the 2021 targets, so as to inform the 2019 work program. The most challenging targets relate to sectoral accounts (quarterly periodicity, nonfinancial assets); CPPI; GFS/PSDS; IIP (currency breakdown, identification of OFCs); also identification of OFCs in shadow banking.
- Regarding the format of consultations for the 2019 work program, participants broadly agreed with the continuation of thematic workshops as being most useful to facilitate progress. In regard to the topics, in addition to the 2019 Conference on Real Estate Statistics that will also cover CPPI, the 2019 DGI work program will include thematic workshops on sectoral accounts and GFS/PSDS.

VII. Concluding Remarks

- The IMF and the FSB Secretariat thanked the participating economies for the considerable progress made, strong commitment to the DGI-2, and the excellent and candid discussions during the conference. The participants took the opportunity to thank Mr. Gianmatteo Piazza for his excellent work and contributions to the DGI as FSB Secretariat and wished him farewell for all his future endeavors.