

## **Key Messages**

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

**June 6-7, 2016**

#### **I. DGI-1: Remaining Work**

- Participants acknowledged the significant progress that was made during the first phase of DGI while recognizing that important remaining work needs to be addressed.

#### **II. DGI-2: General Remarks**

- Participants reaffirmed the importance of building DGI-2 on the successful foundation of its first phase to strengthen and consolidate the progress to date.
- All G-20 economies and non-G-20 FSB member economies participated in the Global Conference.
- Participants appreciated that the outcomes of the intensive discussions during the regional/thematic meetings were taken into account in the revised action plans that were presented and discussed at this conference. Regional conferences confirmed the overall commitment to the G20 DGI-2; at the same time differences across regions and countries vis-à-vis implementing the recommendations based on national priorities were identified.
- In addition to the establishment of clear priorities (taking also into consideration the materiality of each recommendation from a national perspective), distinction should be made between the recommendations that require “heavy lifting” (e.g., sectoral accounts) and those that are well on track carrying on work from DGI-1 (e.g., IIP, IBS).
- As DGI-2 is dealing with more complex issues, it was suggested that resource implications in the implementation of the recommendations should be carefully taken into account. In this context, flexibility will be considered in terms of the process to achieve the targets (e.g., intermediate steps).

- Participants stressed the importance of maintaining a continued dialogue with data users to better understand and serve information needs. Reporting entities' views should also be considered, particularly in the case of increased demand for more granular data.
- While there is recognition of the increased demand for granular (e.g. micro data), more granularity brings along methodological, data management, as well as confidentiality/legal issues and trade-off with timeliness.
- DGI-2 gives more emphasis to the inter-linkages among the recommendations, particularly under the priority recommendation of sectoral accounts and balance sheets. In this context, participants suggested that the implementation of DGI-2 recommendations should benefit as much as possible from synergies with other regional and international initiatives (e.g. LEI, SDMX, SDDS Plus). For instance, interaction with workstreams beyond the IAG would facilitate implementation of the DGI action plans.
- Participants highlighted that, going forward, due attention should be given to filling the data gaps at the national level through enhanced cooperation among national agencies.
- It was agreed that careful consideration needs to be given to the inconsistencies of definitions/concepts across international standards and ensuring comparability to the extent practical.
- To facilitate implementation of various recommendations and for monitoring progress, participants expressed the need to define what data, when, how and to whom should be reported. Particular focus needs to be given to timely completion and communication of reporting templates and global DSDs, as relevant, and to the related self-commitments to be defined by the economies.
- Regarding the format of consultations, there was broad support for the usefulness of thematic meetings/workshops which may take various formats according to the needs. Technical flexibility (e.g., use of teleconferencing facilities) was suggested to maintain the continued dialogue between the IAG and G-20 economies, as well as other FSB member economies, as appropriate. Bilateral discussions could also be considered, as relevant. There was strong support for holding four thematic meetings/workshops as part of the DGI work program in 2017, on: sectoral accounts, FSIs, data sharing, and GSIs. Furthermore, a workshop on securities statistics is also planned in 2018.
- While the main focus of the DGI-2 is on promoting compilation and dissemination of high quality statistics for policy use, there is scope for further conceptual guidance (e.g. CDMs, shadow banking, CPPI).
- Non-G-20 FSB member economies also actively contributed to the discussions and expressed their support to the implementation of DGI-2 recommendations, as relevant.

### **III. DGI-2: Specific Comments on Action Plans**

*For the recommendations where no issues were noted during the discussions on the action plans, work will continue to overcome existing challenges, particularly for the priority recommendations (e.g., GFS, PSDS)*

#### **Recommendation II.2. FSIs**

- To capture the “shadow banking system”, it was suggested that FSIs should not only focus on the size and financial statements of OFCs but also on their activities that would help understand their complexity, building up on the FSB shadow banking survey. The upcoming FSI workshop would provide an avenue to discuss such matters.

#### **Recommendation II.3. CDMs**

- The participants agreed with the importance of concentration and distributional measures from a financial stability point of view. Some participants pointed out that standard measures may not always be relevant for all economies; therefore the recommendation should also focus on encouraging collection of granular data (e.g. loan-by-loan data), which would facilitate distributional analysis.
- Clarification of the distinction between the intention of the “target” and the intention of the “more advanced ambition” is needed.

#### **Recommendation II.4. G-SIFIs**

- There was general support for the recommendation. However, it was suggested to be cautious and to promote a gradual approach for the work on GSII. Furthermore, lessons learnt from GSIBs work need to be taken into account.
- To ensure relevance of the GSII exercise, participants suggested assessing user needs in light of the statistical developments and changing circumstances since 2009.

#### **Recommendation II.5. Shadow Banking**

- One participating economy suggested that country-specific circumstances need to be considered as the financial activities and markets included in this workstream may not be material in some jurisdictions.
- Participants expressed a general appreciation for the preliminary work on approaching the shadow banking from a macro perspective. The need for a careful evaluation of the costs and benefits related to this approach was also clearly identified.

**Recommendation II.6. Derivatives**

- Further conceptual guidance is needed to overcome challenges in derivatives data, including those in fully exploiting trade repositories data. The importance of the ongoing work on the harmonization of key data elements was emphasized.
- A better understanding of different types of derivatives data sources (IBS ultimate risk, IIP, data derived from market information) and the existing data gaps from a financial stability point of view is needed.

**Recommendation II.7. Securities Statistics**

- The G-20 economies underlined the importance of self-commitments and endorsed the proposed way forward for this recommendation.
- It was suggested that the action plan is amended as follows “*G-20 economies to compile and disseminate...*” replacing “*G-20 economies to report...*” when referring to the Target and the More Advanced Ambitions for G-20 economies.

**Recommendation II.8. Sectoral Accounts**

- Reporting of non-financial assets was highlighted as a common challenge.
- IAG intends to have a proposal for revised and updated templates for sectoral accounts by September 2016. Some countries noted the importance of keeping the agreed templates as stable as possible.
- The need for a thematic meeting on sectoral accounts was broadly supported.

**Recommendation II.9. Household Distributional Information**

- Participants acknowledged the usefulness of distributional data and suggested further investigation of the links between sectoral accounts and distributional information. One participating economy underscored the importance of geographical distribution. OECD informed the participants of the OECD experts group meeting on household distributional information that will be held on October 6-7, 2016, in Paris.

**Recommendation II.10. International Investment Position**

- No issues were raised by the participants regarding the proposed action plans.

**Recommendation II.11. International Banking Statistics**

- Work on this recommendation should continue to liaise with the FSB data gaps implementation group on G-SIBs / International Data Hub.
- It was agreed that BIS will provide reporting countries with the opportunity to discuss and consider any potential future enhancements to the IBS. BIS clarified that future enhancements will focus on improving the comparability and completeness of data rather than on collecting new data.
- Participants noted that the granularity of enhanced IBS posed challenges for reporting and confidentiality management.

#### **Recommendation II.12.CPIS**

- No issues were raised by the participants regarding the proposed action plans.

#### **Recommendation II.13.CDIS**

- One participating economy suggested mentioning ultimate ownership in the context of the more advanced ambition.

#### **Recommendation II.14.Cross-border exposures of Non-bank corporations**

- Participants emphasized that the focus of the recommendation needs to be maintained on existing data collections, given that for some countries collection of new data would be challenging.

#### **Recommendation II.15.GFS**

- No issues were raised by the participants regarding the proposed action plans.

#### **Recommendation II.16.PSDS**

- No issues were raised by the participants regarding the proposed action plans.

#### **Recommendation II.17.RPPI**

- Participants emphasized that country level indices should be complemented by series with more detailed breakdowns to reflect intra-country diversity as appropriate based the size of the national market. The need to make a distinction between urban areas and major cities was also stressed while recognizing its challenges.
- In addition, the difficulty of harmonization of more detailed indices across countries was raised given national differences. These differences should also be taken into account when making cross-country assessments using existing data.

- Participants agreed that in addition to the price indices, supplementary information would contribute to a thorough assessment of property-related (both residential and commercial) risks to financial stability.

#### **Recommendation II.18.CPPI**

- There was recognition of the more challenging nature of this recommendation compared to the recommendation on RPIs. Further conceptual work is needed.
- Given the practical and data source issues, data collection and transmission of CPPIs would take place on a best effort basis, taking into account the IWGPS' methodological working paper.

#### **Recommendation II.19.International Data Cooperation and Communication**

- Availability and use of global DSDs and SDMX for data reporting/transmission and dissemination are key preliminary steps to facilitate international data cooperation.

#### **Recommendation II.20.Promotion of Data Sharing by G-20 Economies**

- There was support for the importance of sharing country experiences related to the exchanges of granular data. However, several important challenges were highlighted including confidentiality and legal issues. The terminology, concepts, and intended uses of granular data should be clarified. In addition, potential ways to overcome the identified challenges should be explored. An informal group will be set up soon to investigate these issues. G-20 economies were invited to join this group and attend the workshop to be held in 2017.
- Availability of bilateral country data should contribute to the increased data quality (e.g. external sector statistics).