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New Developments in the International Financial Statistics (IFS)

Prepared by the Bank for International Settlements



New developments in the International Financial Statistics(IFS)

1. International banking statistics

1.1 Data coverage

Efforts are continuing to increase the number of reporting countries both in the *locational* and *consolidated* banking statistics: the *locational* statistics focus on cross-border banking assets and liabilities and are consistent with balance of payments principles; the *consolidated* statistics provide a measure of the country risk exposure of national banking systems, and are compiled on a worldwide basis with inter-office accounts being netted out.

Currently, 40 countries and centres (including Macao, as of June 2006) participate in the *locational* banking statistics and 30 in the *consolidated* banking statistics. Since 1998, 16 new centres have joined the locational statistics and 12 countries the consolidated banking statistics.

The BIS is currently receiving partial data from three additional countries on a regular basis (Cyprus, Malaysia and Russia). IMF has recently provided data at end-2005 submitted in the context of the Information Framework Initiative (IFI) by Gibraltar with the consent of this centre. In spite of their partial coverage the submissions of these countries and centres, will be incorporated soon in the locational statistics after having been completed with estimates from the BIS IFS. Russia and Malaysia are working on the improvement of the comprehensiveness of their reports. No data have been yet received from China, South Africa and Saudi Arabia which have recently shown an official interest in joining the locational banking reporting system. In addition, in the context of the IFI carried out by the IMF, out of the 7 offshore centres which have been formally invited in May 2005 to participate in the locational statistics (Lebanon, Macao, Gibraltar, Barbados, Cyprus, Mauritius, Andorra), only Lebanon, if we put aside Macao, Cyprus and Gibraltar, has provided a positive feedback without any precise commitment on the date of its contribution.

1.2 Data quality

Data quality is continuously improving as several countries provided more detailed country, sector and currency breakdowns of their data. In the area of the *consolidated* banking statistics, only six smaller of the 30 reporting countries do not yet provide data on an ultimate risk basis, but nearly all who do supply such data provide them consistent with BIS definitions.

The BIS is constantly cross-checking levels and changes in the banking data from its own and other national sources to identify possible areas for improvement of quality and coverage.

Based on recommendations of a working group of the Committee on the Global Financial System, the consolidated banking statistics have been enhanced from Q4 2004 by collecting more detailed and comprehensive data on country risk exposures including those from derivatives. Only 18 reporters fulfilled the new requirements from Q4 2004. After thorough quality checks and confirmation from reporting central banks, the ultimate risk data are being published since 2005 Q1.

As discussed and agreed at the October 2005 meeting of central bank experts in international financial statistics in Basel, BIS has undertaken the revision of the international banking statistics guidelines. Two different guidelines, one on the locational statistics, the other on the consolidated, have been circulated in several steps in the course of 2006 among the participating central banks and the detailed annexes showing the different countries' reporting practices have been updated accordingly. The final documents should be posted on the BIS website in the course of October 2006 and will no longer be published in a paper version, in order to facilitate their updating on a more regular basis. In the new documents, better definitions and more complete explanation are given that would ease the adaptation



of the new reporters and more generally of the central banks' staff and users to our reporting instructions.

1.3 Data availability

Most countries provide their *locational* and *consolidated* banking data within 12-13 weeks. However, a few centres supply their data only within 14-15 weeks and final data are published in the BIS Quarterly Review (QR) 21 weeks after the end of the quarter. Given the delay between the early reports and the final publication BIS has decided to provide to the public preliminary quarterly banking data with a delay of only 15 weeks, i.e. 6 weeks ahead of the BIS Quarterly Review. Moreover, the preliminary release covers both locational and consolidated data, whereas previously only the consolidated data were available in a specific press release 16 weeks after the end of the quarter. The new joint statistical release makes the two BIS data sets available earlier to central bank users and the public, and a detailed analysis of both data sets is now provided in the Quarterly Review, instead of being split between a Press release for the consolidated data and the QR analysis for the locational statistics. So far, data revisions in the final data have been minimal when compared with the data in the preliminary release.

The BIS international banking statistics are available with a full back-run of the series free of charge on the BIS website.

2. Debt securities statistics

2.1 Data coverage

The BIS undertakes continuous efforts to improve the data collection procedures and the geographical coverage of the *domestic debt securities*. While the country coverage of BIS *international debt securities* data from commercial sources is nearly complete, the coverage of BIS domestic securities data, which are mainly collected from central bank sources, is currently limited to 49 countries (22 developed countries, 3 offshore centres and 24 developing countries). A study has been initiated at the BIS to improve the coverage of the domestic securities and to reduce potential overlaps with the international debt securities. With the aim of harmonising its debt securities data with those published by the ECB for the euro area, the BIS has just started to utilize ECB SEC data, and expects to discontinue collecting data from national euro area sources. The BIS also circulated (in the summer of 2006) a discussion paper to the Irving Fisher Committee Council on possible ways of improving the quality of the securities statistics world-wide.

2.2 Data quality

The BIS is constantly comparing and reviewing the data from its various data sources in order to ensure a high quality and coverage of its databases.

2.3 Data availability

The BIS domestic and international securities statistics are available with a full back-run of the series free of charge on the BIS website.



3. Foreign exchange and derivatives statistics

3.1 Data coverage

A record 54 countries¹ with around 4,000 financial institutions worldwide will participate in the forthcoming 2007 *Triennial central bank survey* of foreign exchange and derivatives activity, the seventh survey coordinated by the BIS. A press release announcing the start of the exercise has been made available in the BIS website on July 18th. Guidelines and templates have been distributed to all 54 participating central banks and will be made available in a protected website for the use of the reporting dealers.

As in the previous exercises, the survey will consist of two parts. *Turnover* data will be collected for the month of April, while data on *amounts outstanding* will be provided for end-June 2007. The preliminary global results of the turnover part of the survey are expected to be published by the BIS in September 2007, those for the amounts outstanding part in November 2007. The final comprehensive report on the survey should be available before the end of 2007.

Countries are expected to provide the BIS with the names of reporting institutions invited to participate in the turnover part of the survey by end-September. These lists will be used to generate the final list of reporting dealers which will be used by reporting agents to identify counterparties and thereby avoid double counting.

The BIS also collects *semi-annual OTC derivatives markets statistics*, which comprise data on notional amounts and gross market values outstanding of foreign exchange, interest rate, equity and commodity derivatives from currently 60 reporting dealers in the Group of 11 countries which represent the major financial centres, on a worldwide consolidated basis. Furthermore, the BIS collects from commercial sources and publishes quarterly data on turnover and amounts outstanding of *exchange-traded* currency, interest rate and equity index *derivatives*.

3.2 Data quality

BIS has expanded the content of the *semi-annual OTC derivatives statistics* from end-2004, to include statistics on Herfindahl indices (concentration indices). All countries have fulfilled the requirements and are currently reporting under the originally agreed format.

As of May-2005 the OTC statistics were further expanded to include detailed information on credit default swaps (CDS), with breakdowns on credit ratings categories, sectors and maturities. After the G-10 agreement on the new CDS reporting template, one main reporter announced the scaling back of its report. This led BIS to implement the new framework in two phases: Phase 1 with a very limited framework and Phase 2 with an expanded framework however less detailed as the originally agreed format. Phase 2 has been achieved only as from December 2005. Following this announcement, a number of fully compliant reporting countries decided to scale back to Phase 2.

The 2007 *Triennial survey* content has also been expanded to include data on CDS for the first time. Additional currencies have been also identified separately in order to improve the currency coverage.

3.3 Data availability

The publication lag of the *semi-annual OTC derivatives statistics* has been reduced to four and a half months. A further reduction is targeted. The publication lag for the *exchange-traded derivatives statistics*, which are provided by commercial sources, is only about two months.

¹ Bulgaria and Romania will start reporting for the first time in 2007.



The BIS derivatives statistics are available with a full back-run of the series free of charge on the BIS website

4. Joint External Debt Statistics

The BIS data are also available on the Joint External Debt Hub (www.jedh.org), a website providing creditor and debtor data, jointly managed by BIS, IMF, OECD and World Bank and being a pilot project of the Statistical Data and Metadata Exchange (SDMX). JEDH applies technological innovation to the context and content of information being exchanged. In the context of the JEDH, BIS is working with the Berne Union of Trade Credit Insurers to report estimated non-bank trade credit. A solution should be implemented before the end of the year and back data be provided. Comparable data were formerly supplied by the OECD, but had to be suspended due to budget cuts at the OECD.

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