

**Twentieth Meeting of the
IMF Committee on Balance of Payments Statistics
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October 29 – November 1, 2007**

**New Developments in the
International Financial Statistics(IFS)**



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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, IIP and external debt principles; the *consolidated* statistics, that are consistent with supervisory principles, provide a measure of the country risk exposure of national banking systems. They are therefore compiled on a worldwide consolidated basis with inter-office accounts 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). Due to the priority extended to the development of a new IT application the incorporation in the publications of the partial data received from these centres has not been implemented yet. Russia and Malaysia are working on the improvement of the comprehensiveness of their reports. The latter should send a test report before the year-end.

Preparatory works are in progress in the central banks of China, South Africa and Saudi Arabia which have reconfirmed their interest in joining the locational banking reporting system. Commitment to join the BIS statistics in the future has also been received from the latest new euro area member, Slovenia. 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 Macao, which is now a regular full reporter, Cyprus and Gibraltar¹. are supplying data to the BIS. Due to the domestic political situation, Lebanon has postponed the project of meeting the BIS requirements. It should be stressed that the majority of the potential new reporters are putting forward that their willingness to participate in the BIS banking reporting framework is hampered by the concentration of the commercial banks' efforts on the implementation of the Basel II requirements.

Following discussions at the 2005 meeting of experts in international financial statistics, BIS has implemented an improved *banking list exercise*, based upon the residence and the nationality of the banking entities reporting to the BIS locational and consolidated banking statistics, in order to eliminate, or at least significantly reduce, any double counting or gaps in

¹ IMF provided BIS with data from Gibraltar at end-2005 in the context of the Information Framework Initiative (IFI) with the consent of this centre. BIS is still expecting the data at end-2006.



the consolidated statistics. With this new exercise central banks have been provided for the first time with the full list of institutions that participate in the locational statistics and with the nearly full one for the banks reporting to the consolidated statistics. Lists² are available on request to the central banks being part of the BIS reporting system.

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 among the smaller of the 30 reporting countries do not yet provide data on an ultimate risk basis, but nearly all which do supply such data consistent with BIS definitions.

As discussed and agreed at the October 2005 meeting of central bank experts in international financial statistics in Basel, the BIS has undertaken the *revision of the international banking statistics guidelines*. Two different guidelines, one on the locational statistics, the other on the consolidated ones, 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 have been posted on the BIS website in October 2006 and are no longer 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 should ease the adaptation of the new reporters and more generally of the central banks' staff and users to our reporting instructions.

Invitations to the *next meeting in Basel of central banks and international organizations experts* in international financial statistics (January 30-31, 2008) have been sent in September and a provisional agenda was circulated in July. Comments have been received from several institutions that will be used to fine-tune the final agenda.

1.3 Data availability

Most countries provide their *locational* and *consolidated* banking data within 12-13 weeks. However, as the data are published in the BIS Quarterly Review (QR) 21 weeks after the end of the quarter, the BIS has decided to release , with a short analysis, to central banks and the public preliminary quarterly banking data within only 15 weeks, i.e. 6 weeks ahead of the publication of its Quarterly Review. More detailed analysis is provided later in the Quarterly Review by BIS economists. 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 7.400 banks in 40 countries report to the locational statistics



2. Debt securities statistics

2.1 Data coverage

The BIS undertakes continuous efforts to improve the data collection procedures and the geographical coverage of its *domestic debt securities*. While the country coverage of BIS *international debt securities* data from commercial sources is relatively comprehensive, 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 expand the coverage of the domestic debt 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 started to test the use of the ECB SEC data, and expects to discontinue collecting data from national euro area sources in a near future.

The BIS also circulated in late 2006 and early 2007 an issue paper to the Irving Fisher Committee and to the main statistical international organizations (including ECB and IMF) on possible ways of improving the quality of the debt securities statistics issued worldwide.

Following the completion of the report of a CGFS Working Group on financial stability and local currency bond markets in emerging countries a sub-group chaired by the US Federal Reserve was convened mid-2007 and made recommendations at end of August on the way forward for the statistical aspects related to the collection of domestic bonds and notes from an international point of view.

Moreover, in the course of the summer, the G-8 Finance Ministers endorsed an Action Plan for Developing Local Bond Markets in Emerging Market Economies and Developing Countries, and stressed the need for broadening the statistical sources on EME bond markets. They asked the IMF and the other concerned international organizations, of which the BIS, to undertake a stocktaking of the currently available data and to identify any gaps in this regard. Therefore, the IMF in coordination with BIS, ECB and World Bank has proposed to reconvene the Working Group on Securities Databases, set up in 1999 which had been suspended until the ECB finalizes its CSDB project. The first meeting of the WGSD is to be held in Washington at the end of September.

Depending on the outcome of this WG further initiatives could be taken to which the BIS intends to fully take part.

2.2 Data quality

Depending on the recommendations of this WG and of the CGFS subgroup the BIS will, if requested, adapt its statistical framework on debt securities. The BIS is also committed in the short run to improve further its present domestic debt securities statistics in terms of geographic coverage and quality.

2.3 Data availability

The BIS domestic and international debt securities statistics are available with a full back-run of the series free of charge on the BIS website. Revisions have recently been more frequent in



the aftermath of the CGFS WG and the largest revisions are now documented on the BIS website.

3. Foreign exchange and derivatives statistics

3.1 Data coverage

The organization of the *7th Triennial Survey* coordinated by the BIS was announced in a press release on the BIS website on July 18, 2006. Guidelines and templates, for the first time with quality checks add-ins, have been distributed to all participating central banks and were 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 collected from a record of 54 countries³ for the month of April 2007, and data on *amounts outstanding* to be provided by 47 countries for end-June 2007. The preliminary global results of the turnover part of the survey have been published by the BIS on 25 September 2007, those for the amounts outstanding part are expected to be released at end November 2007. The final comprehensive report on the survey should be available before the end of the year.

The range of the submission dates of the turnover part to the BIS has been quite large, from early June till early September, without any significant improvement in comparison with 2004.

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, commodity and credit derivatives from currently 55 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

Due to the rapid evolution of the OTC markets which led to the inclusion of detailed information on credit default swaps (CDS) with breakdowns on credit rating categories, sectors, maturities and counterparties as of end-2004, several additional improvements are under consideration that could be presented to the CGFS in a near future.

The *2007 Triennial survey* content has therefore, for the first time, been expanded to include data on CDS. Additional currencies have been also identified separately in order to fine-tune the currency coverage in the turnover part.

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.

³ Bulgaria and Romania being new reporters



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

Selected BIS time series are also available on the Joint External Debt Hub (www.jedh.org), a website providing creditor and debtor data, which is jointly managed by BIS, IMF, OECD and World Bank as a pilot project implementing Statistical Data and Metadata Exchange (SDMX) concepts. The JEDH applies technological innovation to the context and content of information being provided. In the context of the JEDH, the BIS has worked with the Berne Union of Trade Credit Insurers to report non-bank trade credit exposures. A solution was agreed in 2007 and is now operational. Back data have also been made available from 2005. Similar data were formerly supplied by the OECD, but had to be suspended due to budget cuts at the OECD.

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