
Meeting of the Inter-Agency Task Force on Finance Statistics
Bank for International Settlements, Basel, Switzerland
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**Occasional report on previous and planned activities at the
BIS relating to the TFFS**

Prepared by the Bank for International Settlements

The views expressed herein are those of the author and should not be attributed to the BIS.

1. International banking statistics

1.1 Overview

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, 41 countries and centres (including Malaysia, as of December 2007) participate in the *locational* banking statistics and 30 in the *consolidated* banking statistics.

Cyprus is preparing its first reporting to the BIS banking statistics scheduled from Q1 2009. Works are in progress in other central banks (China, Russia, Saudi Arabia and South Africa) which have reconfirmed their interest in joining the locational statistics reporting system. However, these countries have not committed yet to any precise timetable. South Africa seems to be closest to reporting. It should be stressed that the majority of the potential new reporters are putting forward that their willingness to participate in the BIS banking statistics is hampered by the concentration of the commercial banks' efforts on the implementation of the Basel II requirements, by lack of resources, and, needless to say, by the recent developments on the financial markets.

BIS is now implementing on a annual basis 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 the consolidated statistics. With this new exercise central banks now provide each year the BIS with the full list of institutions which report to the locational and the consolidated statistics. Lists¹ are made available 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 smallest 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. Discussions are ongoing with some large reporters to reduce some of their gaps.

The new guidelines to the international banking statistics that were circulated in 2006 have been updated in December 2008 and posted on the BIS website. This update is taking into account decisions of the January 2008 meeting of central banks experts on international financial statistics as well as various clarifications on the existing text.

BIS IFS is also working on reaching the best degree of consistency between the locational and consolidated BIS banking statistics. Research on estimated foreign exchange valuation changes in the consolidated statistics has also been completed and implemented on an experimental basis.

¹ 7.400 banks in 41 countries report to the locational statistics.

The most significant development for the International Banking Statistics has been the adoption of a new application for the processing of the banking statistics (MSTAT, operational since 2007 Q3), which enables central banks to report Observation Level Confidentiality and BIS-IFS to store confidentiality information in the data cube.

2. Debt securities statistics

2.1 Overview

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 and institutional 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).

2.2 Data quality

An additional project has been launched to expand the coverage of the domestic debt securities data, reduce potential overlaps with international debt securities and streamline the collection process. A stepwise approach is being implemented. In a first phase, 40 central banks (excluding national central banks of the euro area for which data are already available - see below) nominated experts, provided indications on the series available, revealed the data sources and the addresses where the data is published. In the present second phase the BIS will compare this data with two benchmarks, the current BIS domestic and international statistics as well as, if available, the data reported in the CCGS questionnaire on the local currency bond markets. OECD data are also being used whenever possible. Finally, a third phase, which is scheduled before the end of the year, will deal with the data reporting using the SDMX protocol, its codification and storage into the BIS Data Bank. The whole project is based on a framework that was presented and approved in IFC workshops in 2008 and which has been included in the next Handbook on Securities Statistics being drafted under the coordination of the BIS with the active support of the ECB and IMF. This Handbook which provides clear guidelines on the presentation and classification of debt securities should be released to the public in April (see presentation on this project).

As regards the euro area, in order to optimize its collection process and achieve an overall consistency with the ESCB SEC data, the BIS aims at harmonising its debt securities data with those published by the ECB. Both institutions should test this possibility in the coming months with the Euro area central banks.

It should be reminded that this effort carried out with the ECB and the IMF, under the auspices of the reconvened IMF Working Group on Securities Databases, has been mostly triggered by the recommendations of a report from a CGFS Working Group on financial stability and local currency bond markets in emerging countries published in June 2007.

2.3 Data coverage

The BIS within the new collection project on domestic debt securities is pursuing not only a better coverage of the domestic securities but also a reduction of the potential/apparent overlaps with its international debt securities.

3. Foreign exchange and derivatives statistics

3.1 Overview

3.1.1 Triennial Survey

The 2007 *Triennial survey* contained, for the first time, data on CDS (credit default swaps). Additional currencies were also identified separately in order to improve the currency coverage in the turnover part.

A reflection is ongoing through the BIS Markets Committee regarding the framework of the next Survey expected in 2010. It has already been agreed in order to clarify the communication that 2 distinct reports would be issued, one on turnover at end August 2010, and a second one on positions at end November 2010. More is expected soon in conjunction with the reflection carried out within the CGFS on the expansion of data on credit risk instruments as a consequence of the financial turmoil. A report is expected to be reviewed by the CGFS in June and its recommendations will be implemented for the first time in the *Triennial Survey* at end June 2010.

3.1.2 Semi-annual OTC Survey

The BIS has been collecting for several years *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. Currently 57 reporting dealers in the Group of 11 countries which represent the major financial centres contribute to this survey on a worldwide consolidated basis. Depending on the outcome of a CGFS Working Group chaired by the ECB, additional countries might report on a semi-annual basis and new requirements on credit risk transfer instruments will be included in the reporting templates from June 2010.

3.1.3 Exchange-traded derivatives

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 as well as commodity *derivatives*.

3.2 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 by the CGFS working group (see above) which depends on the capacity of some major reporting countries to submit data earlier. The publication lag for the *exchange-traded derivatives statistics*, which are provided by commercial sources, is only about two months.

4. External debt statistics

Ongoing contacts with the Berne Union (International Union of Credit and Investment Insurers) from April 2006 in coordination with the other JEDH agencies were finalized at end 2007 and led to a suitable solution to include the BU data under “Insured export credit exposures” in the published creditor tables.

The BIS now receives regular data from the Berne Union, which is verified, transformed, coded and loaded onto the JEDH. The present economic and financial crisis is increasing the interest in these data from users in international organizations and commercial banks.