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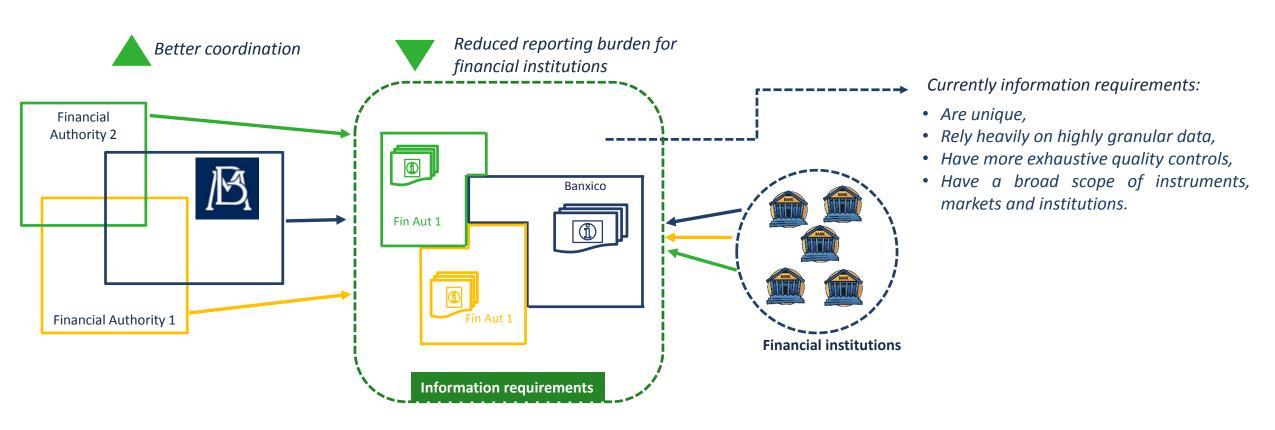
Introduction

- The Mexican financial crisis in the middle of 1990's, unveiled data gaps and inefficiencies in the generation and collection of information. To tackle these deficiencies, Banco de Mexico started to collect microdata, which by its flexibility were used to solve information needs of both financial authorities and internal users. In our view, improvements to the model of information should have as a objective the maximization of the social value of data.
- Having microdata of financial transactions offers several advantages for financial stability analysis, including the determination of open risk positions of an agent or the network of exposures in the financial system.
- Nonetheless, the costs of such an information model are high to both the authority that collects it and to the reporting institutions. Therefore, to justify these costs it is important that the data collect be used to the maximum of its capacity, and for that an efficient data sharing scheme is needed.
- In 2000, several financial authorities, including Banco de Mexico, signed an agreement to coordinate actions to compile, store, share and disseminate the information received from financial intermediates, setting the basis to improve efficiency on information requirements to financial institutions.

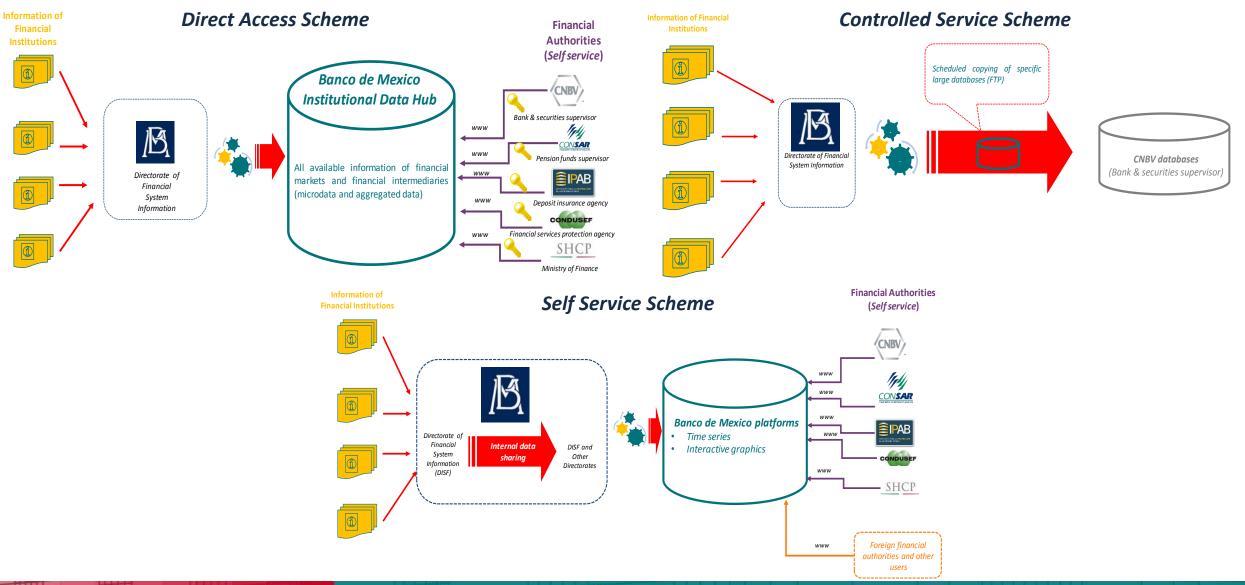
Current situation

• The cooperation framework build since 2000 has allowed Mexican financial authorities to improve significantly data sharing practices between them, completing the information used in their respective activities.

Information exchange among Mexican financial authorities current situation



Schemes for sharing Information at Banco de Mexico

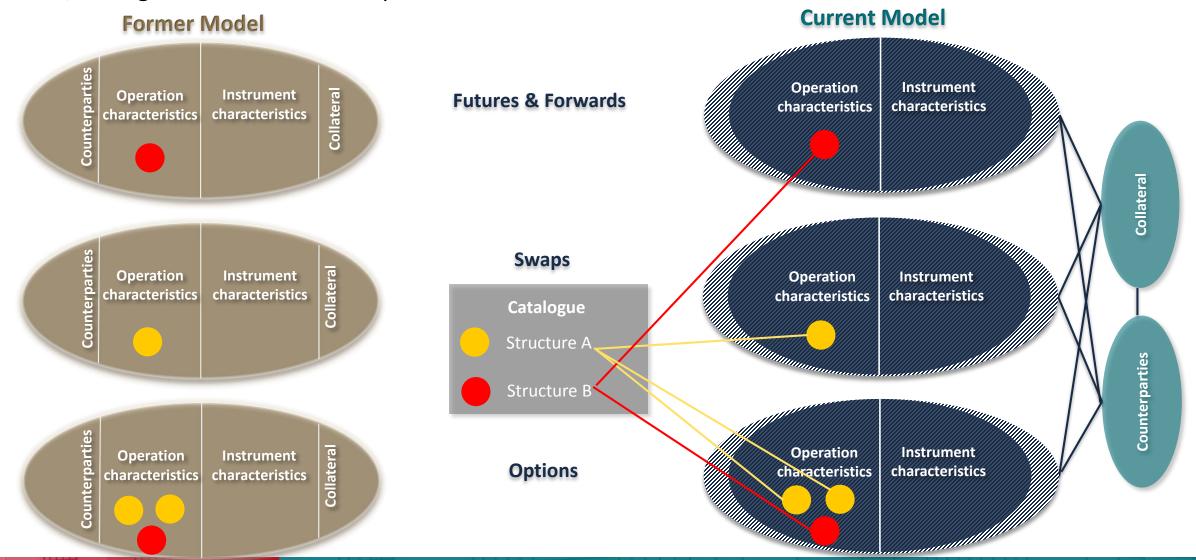


Recent Improvements on Model of Financial Information

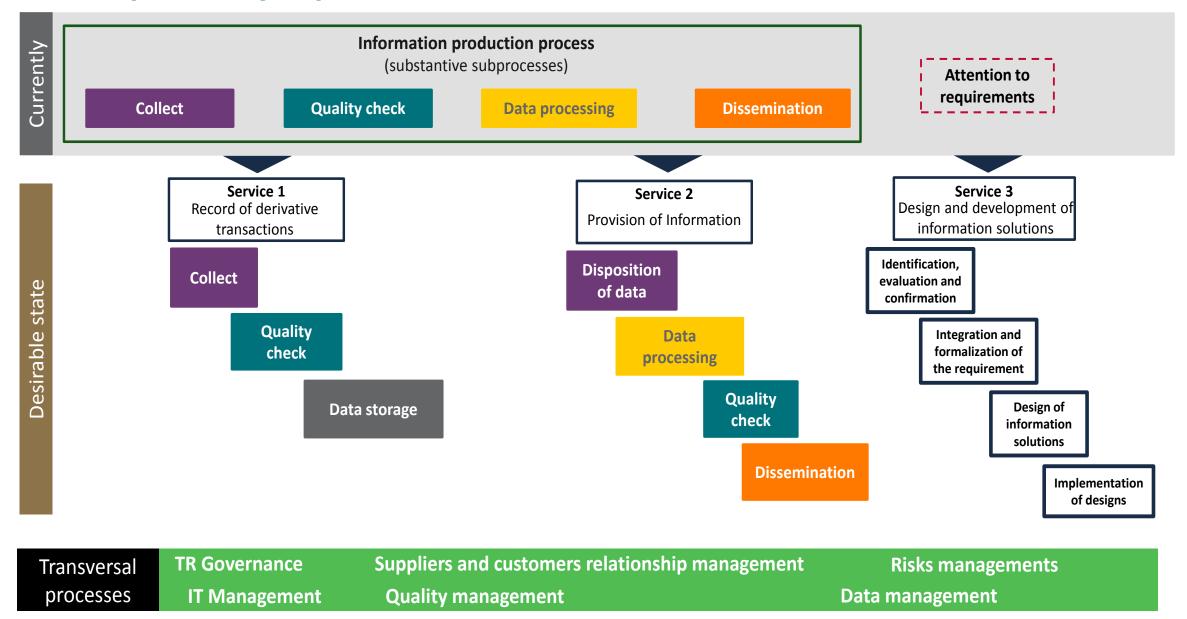
- Banco de Mexico has been working on improving its model of information of financial system.
 - Market credit:
 - Collecting microdata reported by credit bureaus,
 - Enhancements on information requirements of consumer credits and,
 - Utilizing the improvements in the information requirements on commercial credit and mortgages (CNBV).
 - Regulatory information:
 - Collecting data to calculate the Liquidity Coverage Ratio (monthly basis 2014 and daily basis 2017),
 - Collecting information to calculate the Net Stable Funding Ratio on monthly basis and,
 - Incorporation of all changes for capital adequacy proposed in Basel III.
 - Payments:
 - Improvements in the information requirement to "Switches" (transactions with credit or debit cards),
 - Collecting information about confirmation messages of each transaction done with credit or debit cards,
 - Improvements in the information requirement of microdata on checks, transfers and direct debit and,
 - Collecting information about cross-border transactions.

Recent Improvements on Model of Financial Information

• In 2015 a key change in the information requirements was made to improve the information of derivative operations, having as result a more complete model information.



Trade Repository Operative Model



Recent Improvements on Sharing and Dissemination of Microdata

- Over the last few years, Banco de Mexico has promoted a broad interchange of information with other Mexican financial authorities through MoU's, in particular with the Financial Services Protection Agency (CONDUSEF) in 2015 and with the Pension Funds Supervisor (CONSAR) in 2017.
- In 2016, the Interactive Application for Financial Graphs (PIIF) was launched. The PIIF is an tool that disseminates through graphics and tables data of the main relevant aspects of some financial markets. Currently data on derivatives and securities outstanding by sector is available.
- Since 2017, Banco de Mexico has an inventory of "information products" that includes metadata to identify main characteristics of data, main topics of each product, sources of information used to generate each "information product", among others. Revision and expansion of metadata is an ongoing process for improving the use of microdata bases managed by Banco de Mexico.

Final Remarks

- Banco de Mexico has a large experience on collecting microdata on financial markets. Over the last few years we have done improvements on the scope of the model of information.
- In our view, one of the main objectives of enhancements in the model of information at Central Banks is to maximize the potential social value of data. According to the experience of Banco de Mexico, in order to maximize the social value of information it is necessary to improve: i) efficiency in the generation of information, ii) accuracy of information and iii) dissemination of information.
- This will increase the amount and quality of information in order to do better analysis and to take better decisions, which as result will maximize the potential social value of information.

