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G20 Data Gaps Initiative (DGI)
Overview of the Second Phase of the G-20 DGI (DGI-2)[1]

Yasushi Shiina,

FSB – Financial Stability Board

[1] This presentation was prepared for the meeting. The views expressed are those of the author and do not necessarily reflect the views of the BIS, the IFC or the central banks and other institutions represented at the meeting.

G20 Data Gaps Initiative (DGI)

Overview of the Second Phase of the G-20 DGI (DGI-2)

Yasushi Shiina, Member of Secretariat
18 March 2019

Note: This document is prepared to provide a brief overview on the status.

Outline

1. Background: G20 Data Gaps Initiative (DGI)

2. DGI-2 work in 2018

3. Next steps: DGI-2 in 2019

Background: The G20 Data Gaps Initiative (DGI)

- The 2007-08 global financial crisis highlighted the need for timely and accurate information/data for policy makers and market participants to develop effective responses to events.
- In response to the G20 request to explore data gaps and strengthen data collection, the first phase of the Data Gaps Initiative (DGI-1) was launched in October 2009 that include 20 recommendations covering:
  - the build-up of risk in the financial sector;
  - international financial network connections;
  - vulnerability of domestic economies to shocks; and
  - communication of official statistics.
- DGI-1 recs focused on development of conceptual frameworks in areas where data collection did not exist (e.g. linkages among G-SIFIs) and improvement of data collection in areas where frameworks already existed (e.g. Financial Soundness Indicators).
- DGI-1 concluded in 2015 with most of the recommendations completed or advanced.
  - However, some areas were identified as in need of further efforts – sectoral accounts (divergence in the implementation of statistical frameworks and the need of coordination at the national-level) and government finance statistics.

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An overview of the second phase of the G20 Data Gaps Initiative (DGI-2)

- The second phase of the G20 DGI (DGI-2) was launched in September 2015 to consolidate the progress made, and to promote regular data collection especially in areas conceptual frameworks have been developed.
  - 20 new/revised recommendations were developed to implement “the regular collection and dissemination of comparable, timely, integrated, high quality, and standardized statistics for policy use”.
  - The DGI-2 recs focus on: (i) *monitoring risk in the financial sector*; (ii) *analysis of vulnerabilities, inter-connections and spillovers*; and (iii) *data sharing and communication of official statistics*.
- Horizon for implementation is 2021.
  - As in DGI-1, main developments are reported annually to the G20 in a Progress Report prepared by the FSB Secretariat and IMF Staff, in coordination with IAG.
  - A monitoring framework (e.g. traffic lights dashboard) is in place since 2017 to keep track of the progress.
- Possible synergies with other relevant global initiatives are monitored (e.g. measurement of the digital economy, promotion of the Global LEI, adherence to the Special Data Dissemination Standard Plus, dialogue with the G20 IFA WG).

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Overview of G20 DGI-2 Recommendations

DGI-I Recommendations	DGI-II Recommendations
I.1: Mandate	**II.1:** Mandate
Build-up of risk in the financial sector	**Monitoring risks in the financial sector**
I.2: Financial Soundness Indicators (FSI) 🟡 **I.3:** Tail risk 🟢 **I.4:** Aggregate Leverage and Maturity Mismatches 🟢 **I.5:** Credit Default Swaps (CDS) 🟢 **I.6:** Structured Products 🟢 **I.7:** Securities data 🟢	**II.2:** Financial Soundness Indicators (FSI)* **II.3:** FSI Concentration and Distribution Measures (CDM) **II.4:** Data for Global Systemically Important Financial Institutions (G-SIFIs) **II.5** Shadow Banking **II.6** Derivatives **II.7** Securities Statistics*
Cross-border financial linkages	**Vulnerabilities, Interconnections, and Spillovers**
I.8 &I.9: Data for Global Systemically Important Financial Institutions (G-SIFIs) 🟢 **I.10&I.11:** Coordinated Portfolio Investment Survey (CPIS) 🟢 and International Banking Statistics (IBS)Participation 🟡 & Enhancement 🟢 **I.12:** International Investment Position (IIP) 🟢 **I.13&I.14:** Financial and Non-financial corporations' cross border exposures 🟢	**II.8:** Sectoral accounts* **II.9:** Household Distributional Information **II.10:** International Investment Position (IIP) **II.11:** International Banking Statistics (IBS)* **II.12:** Coordinated Portfolio Investment Survey (CPIS)* **II.13:** Coordinated Direct Investment Survey (CDIS) **II.14:** Cross border exposures of non-bank corporations **II.15:** Government Finance Statistics (GFS)* **II.16:** Public Sector Debt Database (PSDS)* **II.17:** Residential Property Prices (RPPI) **II.18:** Commercial Property Prices (CPPI)
Vulnerability of domestic economies to shocks	
I.15: Sectoral accounts 🟢 **I.16:** Distributional Information 🟢 **I.17:** Government Finance Statistics (GFS) 🔴 **I.18:** Public Sector Debt 🟡 **I.19:** Real Estate Prices 🟡	
Communication of Official Statistics	**Communication of Official Statistics**
I.20: Principal Global Indicators 🟢	**II.19:** International Data Cooperation and Communication **II.20:** Promotion of Data Sharing

🟢 Recommendations that are completed based on the targets that were introduced in 2014.

🟡 Recommendations where significant progress was made and are close to completion pending participation by all G-20.

🔴 Recommendations where progress was slow.

* Indicates priority areas identified by the G-20 economies and international agencies in 2015.

Source: Heath and Bese Goksu (2016) and : FSB Secretariat and IMF Staff (2015).

Reference

Common priorities of the G20 DGI-2 recommendations

- Disseminating consistent and comparable Financial Soundness Indicators. [Rec II.2]

- Ensuring regular collection of the International Banking Statistics and the Coordinated Portfolio Investment Survey. [Recs II.11-12]

- Providing consistent securities statistics. [Rec II.7]

- Improving the availability of sectoral accounts data. [Rec II.8]

- Disseminating timely and comparable general government operations and debt data. [Recs II.15-16]

Source: FSB Secretariat and IMF Staff (2015)

DGI-2 work in 2018

- **DGI-2 Annual Global Conference and thematic workshops**
  - **Annual Global Conference (Basel, 30-31 May 2018)**
  - **Three thematic workshops (January – March 2018):**
    - Residential/Commercial property price indexes (Recs. II.17-18)
    - Institutional sector accounts (Rec. II.8)
    - Securities statistics (Rec. II.7)

- **Technical-level meetings** are also held to take forward some DGI-2 recommendations (e.g. Rec. II.5 on Non-Bank Financial Intermediation (NBFI), Rec II.6 on OTC derivatives)

- **Dissemination of reporting guidelines/templates and technical guidance** for several DGI-2 recommendations (e.g. Reporting Guidelines on securities financing data (Rec II.5); technical guidance on UTI/UPI* (Rec II.6).

*: UTI is Unique Transaction Identifier and UPI is Unique Product Identifier.
Source: FSB Secretariat and IMF Staff (2018)

Main findings from the DGI-2 work in 2018

- Main findings from the 2018 progress report on the implementation of DGI-2 recommendations include the followings:
  - Considerable progress was made by the DGI-2 participating economies during its second year. This includes, among others, *NBFI monitoring, reporting of G-SIBs data, improved sectoral accounts data (coverage, timeliness, periodicity)*. All G20 now report their *International Investor Position (IIP)* quarterly and core *Coordinated Portfolio Investment Survey (CPIS)* data semi-annually.
  - Key challenges remain and high-level political support is crucial to overcome them. Such challenges include: adequate resource allocation (e.g. skills, IT); appropriate infrastructure for data access and data sharing; as well as strengthened inter-agency coordination at the national level.
  - In terms of specific DGI-2 recommendations, some key challenges remain, for example, with *the compilation of quarterly institutional sectoral accounts*, *government deficit and debt*, *IIP currency breakdown for non-financial corporations*, *identification of other financial corporations in the IIP and NBFI monitoring*, and *commercial property price index*.
  - Overcoming these challenges is key to further advancement with DGI-2 implementation.
  - Further progress in implementing the DGI-2 is expected from the participating economies.

Source: FSB Secretariat and IMF Staff (2018)

Reference

Overall implementation status of the DGI-2 Recommendations

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Rec. II.8 Sectoral accounts: As in 2017, further progress is expected for countries with less developed statistical systems.

Rec. II.9 Household distributional information: Progress is yet to be made as sources and compilation methods are under development.

Rec. II.10 International Investment Position (IIP): 6 economies are reporting the currency composition data.

Rec. II.18 Commercial Property Price Index (CPPI): No harmonised methodological framework nor detailed methodological guidance available yet.

Rec. II.18 CPPI: Action plan still to be elaborated.

Recommendation	Overall assessment and progress made	Status 2017	Status 2018
#II.2 FSI	• 15 G20 economies report seven FSIs expected from the SDDS Plus adherents, of which four economies report with more than a quarter lag. Other four economies report six FSIs, of which one reports with more than a quarter lag.		
	• Ongoing work on expanding the FSI list and on the revised FSI Guide.		
#II.3 CDM	• Collection of CDMs broadly supported by FSI compilers. Appropriate guidance for CDM reporting is being incorporated in the revised FSI Guide. Reporting template prepared.		
#II.4 G-SIFIs	• G-SIBs Phase 3 data reporting has started or it is about to start in almost all jurisdictions.		
	• Action plan for G-SIIs postponed in light of the new IAIS workplan on systemic risk assessment.		
# II.5 Shadow banking	• FSB is conducting annual monitoring exercises on the global shadow banking system.		
	• Technical and governance work for global SFT data collection and aggregation largely completed. Preparation for reporting has now started.		
#II.6 Derivatives	• All G20 economies participated in the 2016 Triennial Survey, including reporting new data on CCPs.		
	• Work completed in 2018 on UTI/UPI technical guidance.		
	• Work ongoing on UTI/UPI governance.		
	• Economies are taking actions on barriers to OTC derivatives trade data reporting.		
#II.7 Securities statistics	• All G20 economies provided self-commitments.		
	• All G20 economies confirmed to fully or mostly implement the self-commitments for the 2018 intermediate target. Some economies will implement also additional series.		
#II.8 Sectoral accounts	• Much progress has been made in the past year. Number of economies compiling and disseminating data is growing.		
	• As in 2017, further progress is expected for countries with less developed statistical systems.		
#II.9 Household distrib. Info.	• Progress is yet to be made as sources and compilation methods are under development.		
#II.10 IIP	• As in 2017, 20 G20 economies report quarterly data on a *BPM6* basis.		
	• 15 G20 economies identify OFCs.		
	• 6 economies are reporting the currency composition data.		
#II.11 IBS	• 17 G20 economies report the locational banking statistics.		
	• 12 G20 economies implemented the agreed LBS enhancements.		
	• 10 G20 economies implemented the agreed CBS enhancements.		
#II.12 CPIS	• All G20 economies now report core CPIS data on a semi-annual basis, with one economy recently moving from annual to semi-annual reporting.		
	• As in 2017, 16 G20 economies report the sector of holder table.		
#II.13 CDIS	• With one additional reporter, now 18 G20 economies report inward data (one provides only equity).		
	• 15 G20 economies report outward data. One economy has started to report the equity/debt split.		
#II.14 Cross-border exposures	• 11 G20 economies report NFC sector in LBS.		
	• 9 G20 economies report complete data for OFCs, six via the SRF 4SR and three via the ECB. Of the remaining 10 economies, three report with incomplete coverage and two with a long lag.		
#II.15 GFS	• 11 G20 economies report quarterly general government data based on *GFSM 2014*.		
#II.16 PSDS	• 17 economies report central government debt;12 economies report general government debt. Progress made to broaden instrument and sectoral coverage.		
#II.17 RPPI	• At least one RPPI is available for 19 G20 economies.		
	• Progress on methodological issues affecting RPPI comparability is being made.		
	• Template for internationally comparable RPPI data and related housing indicators endorsed.		
#II.18 CPPI	• 10 G20 economies report CPPI data.		
	• Publication of "Commercial Property Price Indicators: Sources, Methods and Issues" in December 2017 by Eurostat.		
	• Eurostat launches Task Force on Commercial Real Estate Indicators in 2018.		
	• No harmonized methodological framework nor detailed methodological guidance available yet.		
	• Action plan still to be elaborated.		
#II.19 Data coop/coordination	• Exchange of GDP and population data is implemented. Sector accounts data exchange was tested in late 2017, with implementation planned for 2018. Balance of payments data exchange is under investigation.		
#II.20 Promotion of data sharing	• Monitoring of progress is being prepared at international and national level, through a questionnaire.		

Fully or nearly completed workstream.
Significant progress made, workstream broadly on track.
Early stage of implementation or lack of timely progress.

Source: FSB Secretariat and IMF Staff (2018)

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Next steps: DGI-2 work in 2019

- FSB and IMF, in coordination with the IAG and in consultation with the participating economies, are preparing the fourth Progress Report for submission to the G-20 in October 2019.
  - As in previous Reports, the 2019 Report will be based on survey responses and inputs from DGI-2 participating economies and IAG members.

- To facilitate progress in implementing the challenging DGI-2 recommendations, the DGI-2 work programme in 2019 include:
  - thematic workshops (on CPPI, sectoral accounts, and government finance and debt statistics);
  - other technical-level workshops and meetings (e.g. FSB-BIS workshop on securities financing data collection and aggregation); and
  - the annual DGI Global Conference.

- Dialogue with the potential users of data is essential and will aim to enhance the relevance of the DGI-2.

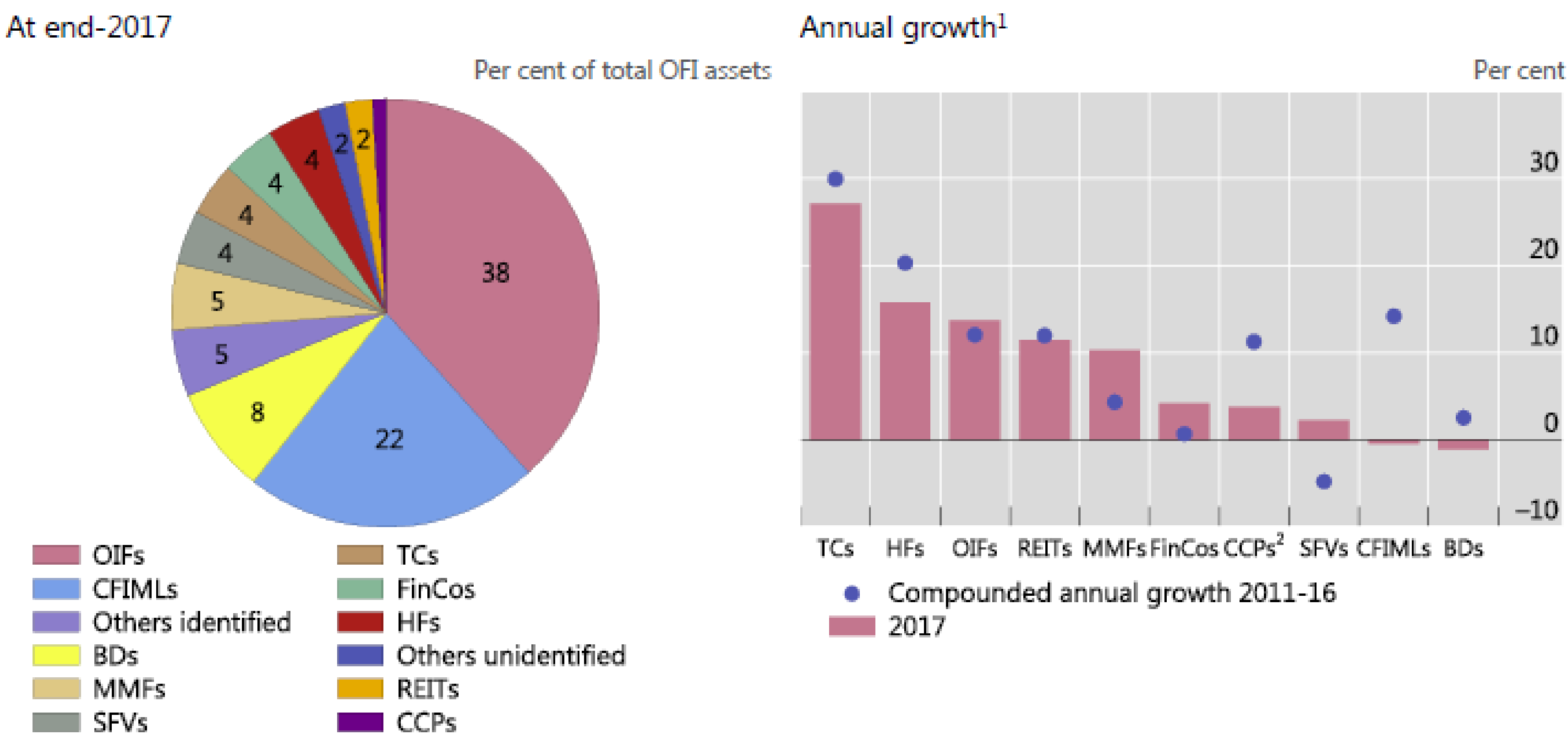
Reference

Using financial sector balance sheet data for NBFI monitoring (1)

Major OFI sub-sectors

29-Group

Exhibit 2-9



BDs = broker-dealers; FinCos = finance companies; HFs = hedge funds; OIFs = Investment funds other than MMFs and hedge funds; TCs = Trust companies. [1] Some exchange rate effects have been netted out by using a constant exchange rate (from 2017). [2] CCP growth rates exclude one jurisdiction where assets grew substantially in 2017 due to an accounting change at a CCP.

Sources: Jurisdictions' 2018 submissions (national sectoral balance sheet and other data); FSB calculations.

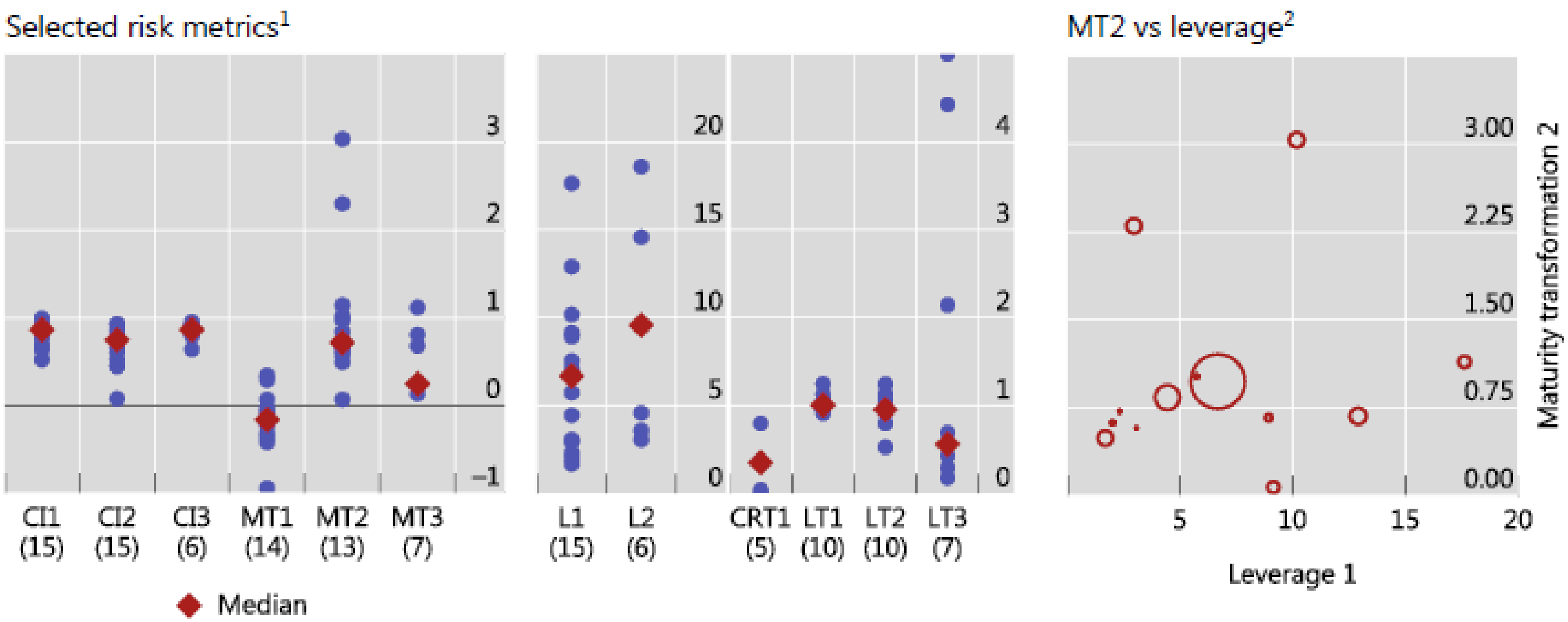
Source: FSB (2019)

Reference

Using financial sector balance sheet data for NBFI monitoring (2)

Risk metrics for finance companies

Exhibit 4-19



At end-2017. Each blue dot represents a jurisdiction's overall metric, with total sample size denoted in parentheses below the risk metric label on the x-axis. Each jurisdiction's data submission reflects data from many individual entities within that jurisdiction. [1] CI1 = credit assets / total financial assets; CI2 = loans / total financial assets; CI3 = (credit assets + credit off balance sheet exposures) / (AUM + total off balance sheet exposures); MT1 = (long-term assets – long-term liabilities - equity) / total financial assets; MT2 = short-term liabilities [≤ 12 months] / short-term assets [≤ 12 months]; MT3 = short-term liabilities [≤ 30 days] / short-term assets [≤ 3 months]; LT1 = (total financial assets - liquid assets [narrow] + short-term liabilities [≤ 30 days]) / total financial assets; LT2 = (total financial assets - liquid assets [broad] + short-term liabilities [≤ 30 days]) / total financial assets; LT3= short-term liabilities [≤ 30 days] / liquid assets [broad]; CRT = credit off balance sheet exposures / (total financial assets + total off balance sheet exposures); L1 (Leverage 1) = total financial assets / equity; L2 = (total financial assets + total off balance sheet exposures) / equity. Some risk metrics included data from entities prudentially consolidated into banking groups, as some jurisdictions' granular data do not distinguish between consolidated and non-consolidated entities. [2] Size of bubble denotes the sector's absolute size. Only jurisdictions which provided data for both the L1 metric and the MT2 metric appear in this chart.

Sources: Jurisdictions' 2018 submissions (national sectoral balance sheet and other data); FSB calculations.

Source: FSB (2019)

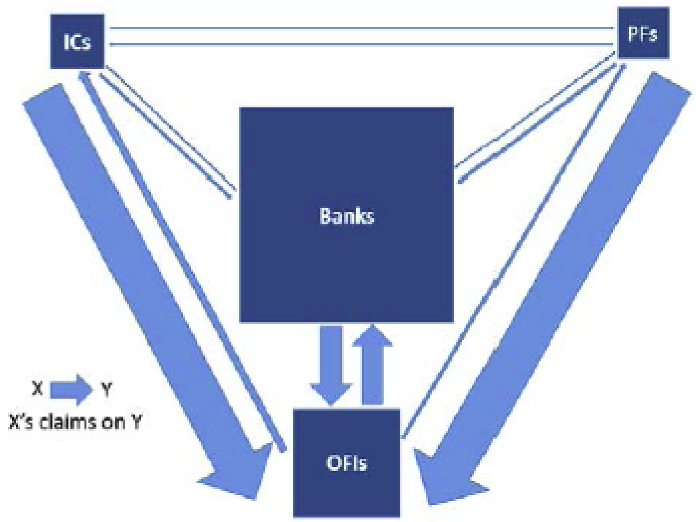
Reference

Using financial sector balance sheet data for NBFI monitoring (3)

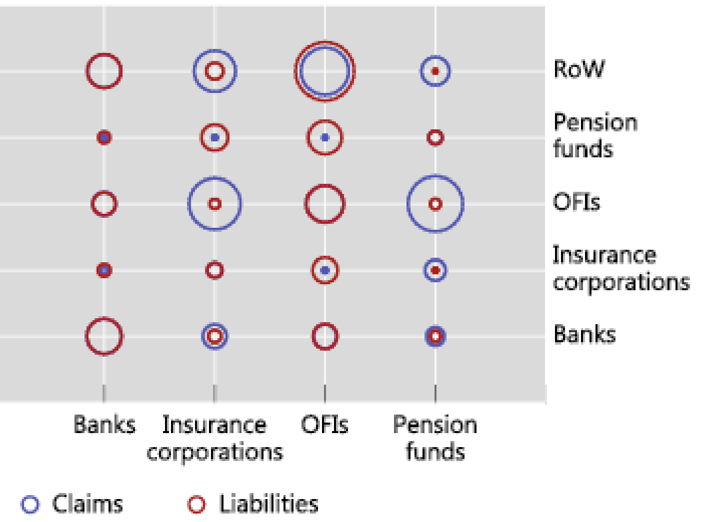
Interconnectedness among sectors[1]

Exhibit 3-2

Aggregate linkages among sectors[2]



Aggregate linkages, as a per cent of financial assets[3]



Borrowing and funding centrality, and linkages as a percentage of total linkages[4]

	Funding centrality	Total claims over total linkages (%)	Borrowing centrality	Total liabilities over total linkages (%)
Banks	0.32	0.33	0.43	0.35
Insurance corporations	0.13	0.13	0.01	0.04
OFIs	0.37	0.36	0.55	0.61
Pension funds	0.18	0.19	0.00	0.00

[1] This exhibit illustrates high-level observations from the analysis of interconnectedness between banks, OFIs, pension funds and insurance corporations. [2] The thickness of the arrows reflects the absolute size of the exposures from a certain financial sector to the other. Cross-border exposures are not included (discussed in more detail in Section 3.4). [3] This matrix shows X's claims on and liabilities to Y, measured as a % of X's assets. Data were aggregated across jurisdictions where both linkage and asset data are available. [4] Funding and borrowing centrality measured as the left- and right eigenvectors of the aggregated whom-to-whom matrix. The output is normalised. Cross-border exposures are not taken into account. The computed measures do not capture risks from indirect interconnectedness and do not take into account important qualitative aspects, such as the difference between secured and unsecured liabilities.

Sources: Jurisdictions' 2018 submissions (national sectoral balance sheet and other data); FSB calculations.

Source: FSB (2019)

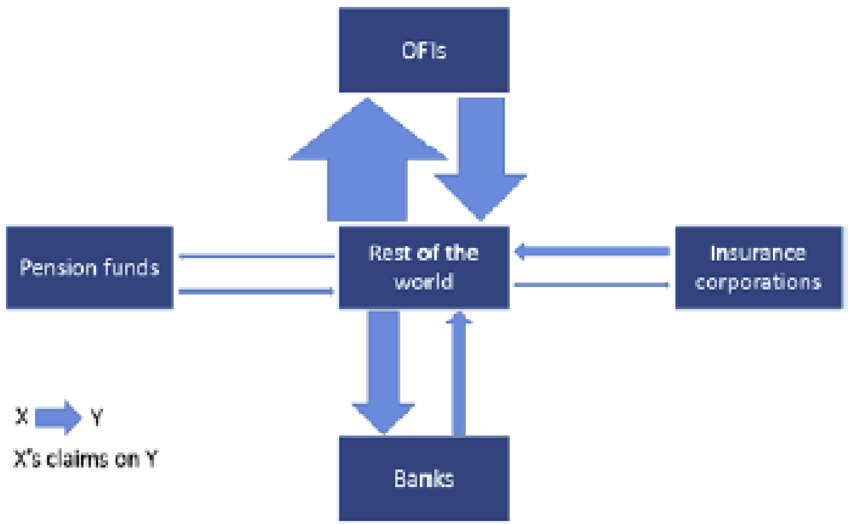
Reference

Using financial sector balance sheet data for NBFI monitoring (4)

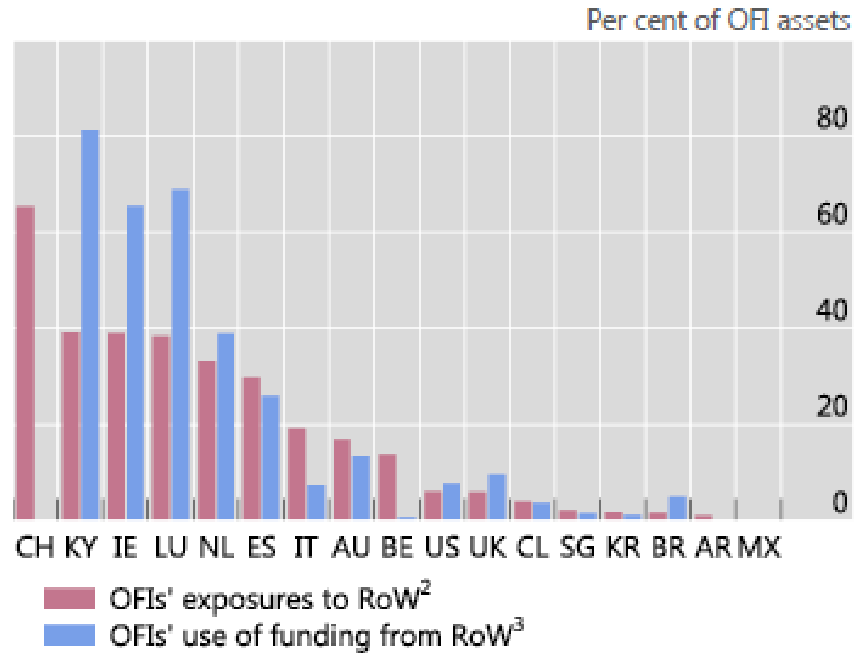
Cross border interconnectedness

Exhibit 3-13

Aggregate exposures between financial intermediaries and the rest of the world (RoW)[1]



OFIs' cross-border interconnectedness, at end-2017



[1] RoW exposure is the aggregate cross-border exposures reported by 21 jurisdictions and the euro area, where data were available. This exhibit illustrates high-level observations from the analysis of the cross-border linkages of OFIs, pension funds and insurance corporations. The thickness of the arrows reflects the absolute size of the cross-border exposures from a certain financial sector. [2] OFIs' exposures to the rest of the world as a share of OFI assets. [3] OFIs' liabilities to the rest of the world as a share of OFI assets. This figure is not available for CH, and was reported as zero by AR and MX.

Sources: Jurisdictions' 2018 submissions (national sectoral balance sheet and other data); FSB calculations.

Source: FSB (2019)