



AGENDA
G-20 WORKSHOP ON DATA SHARING
January 31-February 1, 2017

Venue: Hotel Steigenberger Frankfurter Hof, Am Kaiserplatz,
60311 Frankfurt am Main, Germany
Meeting Room: Festsaal (ground floor)

January 30, 2017, Monday

6:30 p.m. Welcome Reception at Alpine Chalet, Hotel Steigenberger Frankfurter Hof

January 31, 2017, Tuesday

8:00 a.m.-9:00 a.m. Registration and Coffee

9:00 a.m.-9:15 a.m. Welcoming remarks by Professor Claudia M. Buch, Vice-President of the Deutsche Bundesbank

9:15 a.m.-9:30 a.m. Introductory remarks by the IMF and Eurostat

9:30 a.m.-10:00 a.m. Session I: Terminology in the context of data sharing

Granular data includes “less aggregated” data that are finer breakdowns of aggregates in traditional statistics, as well as “micro data” that are data at the level of individual reporters.

*This session aims to suggest a clear terminology to guide the discussions on granular data. Presentation by **Eurostat***

10:00 a.m.-11:00 p.m. Session II: Overview of existing work on data sharing

Significant work has been done (e.g. surveys and reviews) by the ECB, OECD, IFC, Statistics Finland (UNECE).

This session aims to provide an overview of existing work which could be usefully complemented as relevant with the outcomes of the workshop.

*Presentations by the **OECD, BIS/ECB (IFC) and Statistics Finland.***

11:00 a.m.-11:30 a.m. Coffee break

11:30 a.m.-1:00 p.m. Session III: Collection of data only once at the national, regional and international levels

The initiatives to minimize the burden of data collection at the national, regional and international levels alongside well justified and flexible uses of data is key. The legal texts about data should address sharing and accessibility of data at national and international levels and to prevent duplicated information requests by different authorities. Existing information should be shared and used to the extent possible. Exchange of granular, potentially micro data at the international level is also important to understand the effects of globalization, the behavior of multinationals, and risks related to inter-connectedness.

This session aims to discuss country experiences in sharing and accessibility of data at national and international levels.

- *Presentations by **India, Mexico, Russia, UK** (data sharing at the national level)*
- *Presentations by **Eurostat, BIS/FSB/IMF, OECD** (data sharing at the international level)*
- *Discussion on the presentations and the wording of **recommendation 1** (Collection of data only once) and **recommendation 5** (International datasets)*

1:00 p.m.-2:00 p.m. Buffet Lunch

2:00 p.m.-3:00 p.m. Session III (cont.): Collection of data only once at the national, regional and international levels (cont.)

3:00 p.m.-4:15 p.m. Session IV: Balancing confidentiality and user needs

The work on the improvement of data sharing aims to increase the availability of information while making sure to respect the legal and confidentiality considerations. The G-20, in recommendation II.20 of the DGI-2 encourages the G-20 economies to increase the sharing and accessibility of granular data, if needed by revisiting existing confidentiality concerns. The concepts of passive confidentiality and time dependent confidentiality play a role in this context.

This session aims to discuss data confidentiality and how to balance it with new user needs.

- *Presentations by **Canada, U.S., Argentina***
- *Discussion on the presentations and the wording of **recommendation 2** (Balancing confidentiality and user needs)*

4:15 p.m.-4:45 p.m. Coffee break

4:45 p.m.-5:45 p.m. Session V: Potential new ways of improved data sharing while ensuring confidentiality

Where legal restrictions do not allow for sharing of granular/micro data, different forms of access (e.g. remote execution, working with the data in the producing agency, guest visits to a secure environment) or different forms of anonymization (formal, factual, absolute or traditionally by aggregation) should be taken into account in the context of decision-making about the dissemination of existing or new datasets vis-à-vis users and respondents (feedback loops).

This session aims to discuss experiences in innovative ways of improved data sharing.

- Presentations by *Italy, Turkey, France*
- Discussion on the presentations and the wording of **recommendation 3** (Consideration of ways of improved data sharing while ensuring confidentiality)

5:45 p.m.-6:30 p.m. Session VI: Summary of discussions

6:30 p.m.-Evening reception at Hotel Steigenberger Frankfurter Hof

February 1, 2017, Wednesday

8:00 a.m.-9:00 a.m. Registration and Coffee

9:00 a.m.-10:15 a.m. Session VII: Linking different data sets and the usefulness of common identifiers

Full use of data including through linking of different non-public datasets (including from different institutions) would be useful in providing a complete picture of financial and economic developments. In such cases, access rights to the resulting datasets, which would include new information, may need to be decided, as well as the form of anonymization.

Internationally agreed common identifiers (e.g. LEI, UTI, UPI) are essential for aggregating and linking data and hence for statistical production.

This session aims to discuss country experiences in linking different datasets and examples on the usefulness of common identifiers.

- Presentation by *FSB, U.S., Germany, ECB, Indonesia*
- Discussion on the presentations and the wording of **recommendation 4** (Linking different datasets) and **recommendation 7** (Common identifiers)

10:15 a.m.-11:00 a.m. Session VIII: Promoting the exchange of experience on statistical work with granular data and transparency

The G-20, in recommendation II.20 of the DGI-2, encourages the economies to exchange experiences on statistical work with existing granular data, in particular the accessibility of data and metadata, techniques for statistical analysis of granular data and data protection. This would help facilitate the international use of granular data for policy, analytical, research and statistical purposes without jeopardizing the respective confidentiality regimes.

This session aims to discuss experiences in improved co-operation for the sharing of granular data

- *Presentations by **Indonesia, Germany***
- *Discussion on the presentations and the wording of **recommendation 6** (Promoting the exchange of experience on statistical work with granular data and transparency)*

11:00 a.m.-11:30 a.m. Coffee break

11:30 a.m.-12:30 a.m. Session IX: Discussion on the way forward including the submission to the G-20 FMCBG

12:30 p.m.- Buffet Lunch



Terminology in the context of data sharing

Workshop on Data Sharing
Frankfurt, 31 January – 1 February 2017

John Verrinder (Eurostat)



European
Commission

The informal group mandate

"Granular data", composed of:

"Less aggregated data"

- **Finer breakdowns of aggregates in traditional datasets**

"Microdata"

- **Data at the level of individual reporter (/basic observation unit), or at a low level of aggregation which might lead to the identification of individual reporting units**





Granularity

The "level of depth" represented by the data

- **A spectrum of possibilities**

Appropriate level of granularity

- **Balancing the granularity level with the respective policy needs**





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"Microdata" has a specific meaning for some...

From the Eurostat website...research community term

"Microdata consist of sets of records containing information on individual persons, households or business entities."

Generic Statistical Information Model

"unit data set" instead of "microdata"

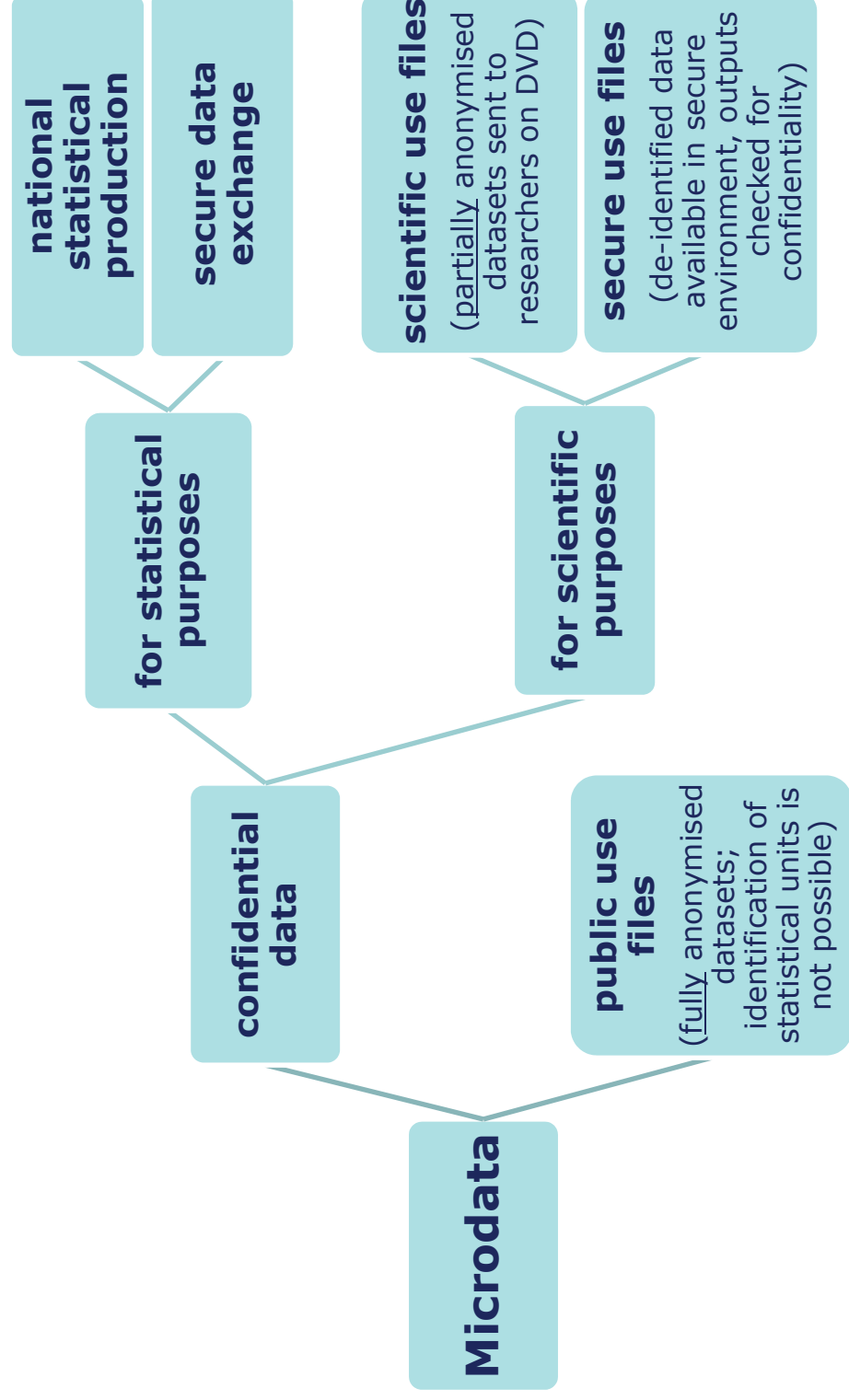
But should be clear that the information covered by microdata can be diverse, including for example data on transactions and financial instruments





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Use of microdata





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Benefits from access to microdata for...

owners / users / public

- **Better data quality**
- **New statistical products and indicators**
- **Better value for money for data collections**

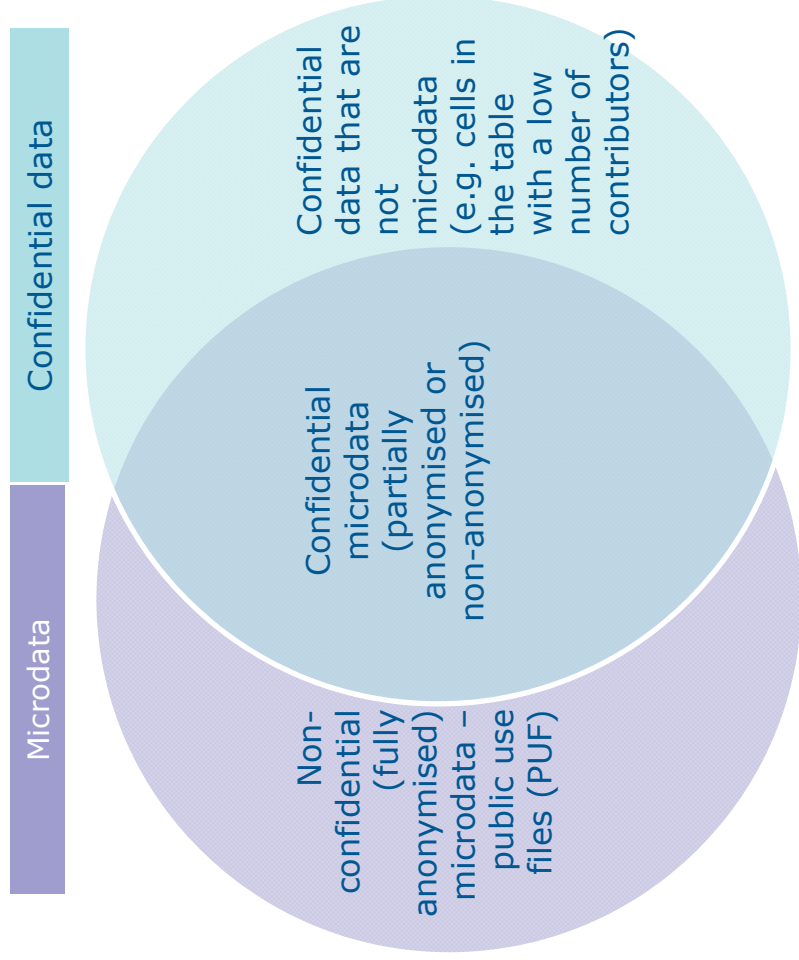
- **Public accountability**
- **Deeper analysis of the data**
- **Better policy formulation and evaluation**





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Confidential data and microdata





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Some other words "out there" ...

"Disaggregated data"

"Mesodata"

"Hypercubes"

"Statistical records"

"Survey data" ... etc





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So we need to agree when we discuss...

We say that within **Granular data** we have:

Aggregated data – aggregates in traditional datasets (addressed by other DGI recommendations)

Disaggregated data- at a low level of aggregation which (would likely) lead to the identification of individual reporting unit >> **techniques available to anonymise**

Microdata – data on individuals (=individual records) and specific transactions/instruments, which are confidential if not anonymised





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Particular cases...

"Occasional confidentiality" – a dataset is not always confidential all of the time, but can have confidential elements occasionally

"Structured and unstructured data" – unstructured (raw) data contrasted with cleaned and structured data





Data sharing with who?

Internal level (within one institution)

National level (between national institutions of one country)

International level (between national institutions of different countries and with/between international institutions)

Public level





Session II: Overview of existing work on data sharing

International Collaboration for Microdata Access: Lessons from OECD work

Mariarosa Lunati
OECD Statistics Directorate

G20 Workshop on Data Sharing
Frankfurt, January 31-February 1 2017



Microdata for research and policy at the OECD - the users' needs

- Strong demand for access to microdata

Microdata analysis as a key analytical tool

- Broad range of studies based on microdata

e. g. Income inequality; Employment; Business dynamics; Trade; Innovation; Education and skills; Consumption taxes

- Several approaches to exploit microdata

- Networks
- Safe Centres
- Public Use Files (PUFs)
- Confidential files
- Commercial microdata



OECD research and transnational access to official microdata

- **Access in multiple countries needed for cross-country analysis**
- **Challenges**
 - **Locating information on microdata (coverage, variables, ..)**
 - **Language barriers**
 - **Different accreditation procedures (terms and length)**
 - **Different access systems**
 - **Differences in content and structure of microdata**



How are microdata accessed by OECD analysts

- Choice based on type, source and planned use of the microdata
- Most frequent approaches
 - Networks
 - National researchers
 - Statisticians in NSOs
 - Public Use Files (PUFs) official microdata
- Other approaches
 - Confidential files (anonymised individual data)
 - Safe Centres
- **Commercial microdata**
- **Special surveys (ex. BEEPS, PISA)**



Main challenges of different approaches to microdata access

	Advantages	Limits
National teams of researchers	Access and analysis done by national experts	Coordination costs
NSO statisticians	Mainstreaming of new microdata indicators	Resource commitment by NSOs
PUFs	Direct access	Lack of data harmonisation
Confidential files	Direct access	Lack of data harmonisation
Safe centres	Direct access	Travel costs
Commercial microdata	Direct access	Quality and costs of microdata
Special surveys	Direct access	Coverage, costs



Microdata for research and policy at the OECD – addressing the needs

- In 2011, the CSSP created the *OECD Expert Group for International Collaboration on Microdata Access*
- 26 members: Australia, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, France, Greece, Germany, Hungary, Israel, Italy, Japan, Korea, Mexico, Netherlands, New Zealand, Norway, Slovenia, Sweden, Switzerland, Turkey, United Kingdom, United States, Eurostat



Mandate of the Expert Group

- **Increasing coordination and communication between NSOs and other expert groups to adopt best practices, promote a common understanding and minimise duplication of work in the area of cross-border access to microdata.**
- **Establishing procedures for efficient cross-border access to microdata held by statistical institutes while respecting confidentiality constraints.**
- **Advising and making recommendations to Chief Statisticians on technical and non-technical issues.**



Scope of the work

- Collaboration with other international groups and initiatives
- Areas of investigation
 - Common language
 - Legal and policy framework
 - Sanctions for breach of confidentiality of statistical data
- Technical issues

Executive Summary and Final Report available on :
<http://www.oecd.org/fr/std/microdata.htm>



Main outputs of the Expert Group -1

- Recommended consolidated terminology in microdata access, and metadata standards
- Proposed standardised application process for microdata access
- Description of the process flow for microdata access and analysis of cost recovery models of microdata services



Main outputs of the Expert Group -2

- Analysis of applicability of sanctions in international microdata exchange
- Analysis of issues relating to exchange of administrative microdata
- Review of portfolio of access solutions and dissemination strategies
- Two helpful notions
 - Application of maturity models to guide changes
 - Development of the “circle of trust” concept

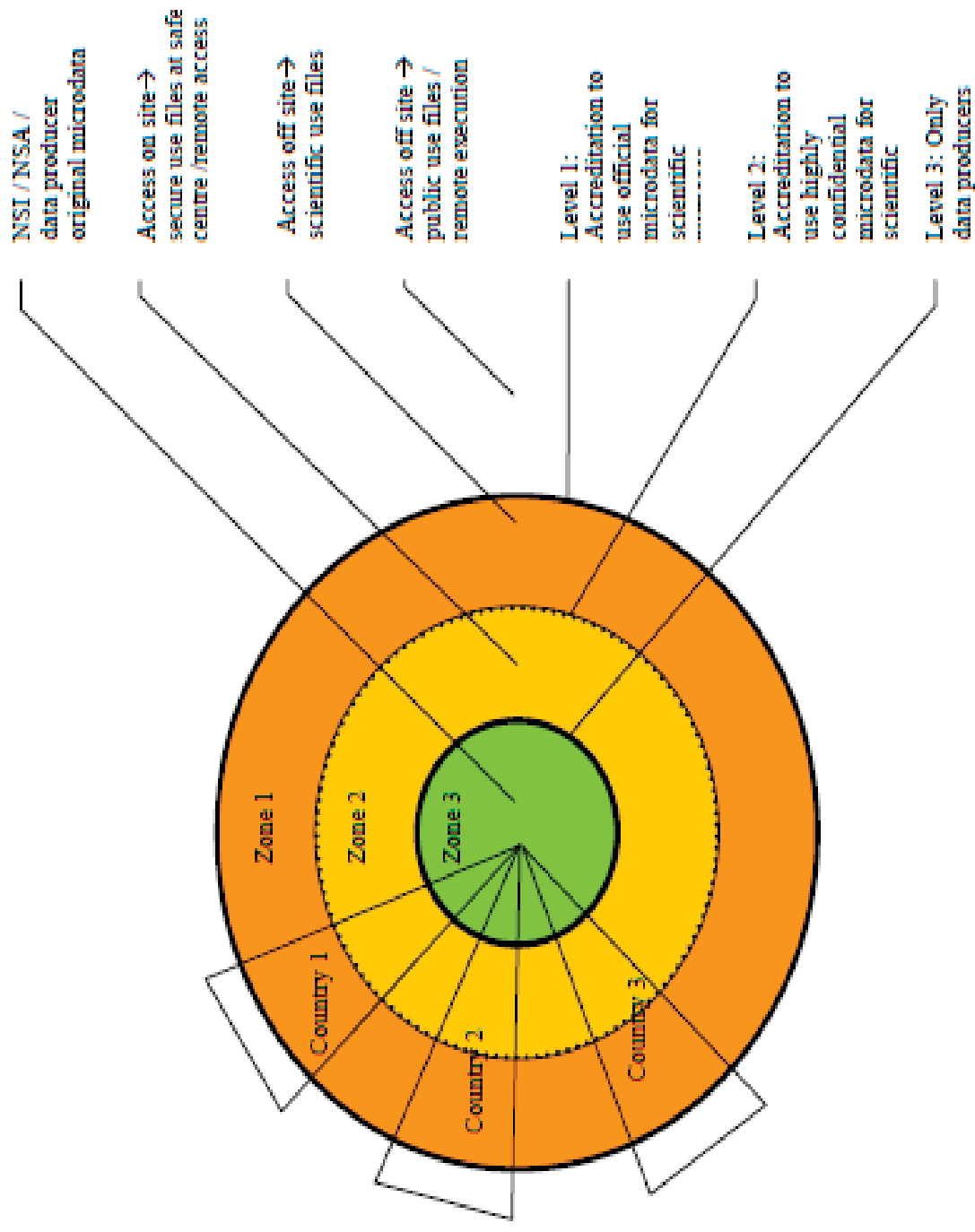


Maturity modeling to guide change - Example: Metadata on microdata

Maturity in (eg. metadata)	Naïve	Heroic	Embedded
<i>Indicator</i>	<i>Some metadata is available in Word format on request</i>	<i>Some datasets have machine-readable metadata available on the NSI website</i>	<i>All datasets have SDMX/DDI metadata, published in a resource discovery service in an Open format</i>



The “circle of trust”



Irving Fisher Committee on
Central Bank Statistics



BANK FOR INTERNATIONAL SETTLEMENTS

The sharing of micro data – a central bank perspective

Key findings of the IFC 2016 Survey

Mariagnese Branchi

Senior Economist-Statistician, Directorate General Statistics, European Central Bank

Bruno TISSOT

Head of Statistics and Research Support, BIS

Head of Secretariat, Irving Fisher Committee on Central Bank Statistics (IFC)

G20 Workshop on data sharing – Frankfurt, 31 January and 1 February 2017

The views expressed are those of the authors and do not necessarily reflect those of the BIS or the IFC.



Overview

- 2013 IFC survey of existing practices for data-sharing between central banks and supervisory groups (establishment of “good practices”)
- G20 Data Gaps Initiative: BIS invited to update the IFC survey (64 countries)
- Data-sharing among the wider range of national and international bodies, with six areas of focus:
 1. Internal sharing
 2. External sharing
 3. Sharing arrangements
 4. Matching data sets
 5. Plans for changes
 6. Legal constrains



1. Internal sharing of micro data within central banks is very important...

Is it important to share micro data internally?

Average across all groups, by data type

Per cent

Monetary and financial statistics data

Source: IFC survey on the sharing of micro data, 2016.

- ▶ ***eg monetary and financial statistics, supervisory and macroprudential data***
- ▶ ***sharing of supervisory data influenced by respondents' institutional features (higher in central banks in charge of banking supervision)***

... and is widely enabled (80% of the cases on average)

Is it possible for central banks to share data internally?

Positive responses, in per cent of total

	Banking supervision group	Economic and monetary analysis group	Financial stability analysis group	Research group
Monetary and financial statistics	77	97	100	87
Supervisory data	68	73	83	68
Macroprudential data	68	82	92	75
General economics micro data	57	73	80	78
Legend:	High	Medium high	Medium low	Low

► **legal constraints / confidentiality restrictions are the most limiting factors**

2. External sharing with other authorities is less important...

Is it important to share micro data externally?

Average across all groups, by data type

Per cent

Monetary and financial statistics data

Source: IFC survey on the sharing of micro data, 2016.

► **importance of legal / confidentiality reasons but also technological obstacles**



... and is enabled in only 40% of the cases on average

It is possible for central banks to share data externally?

Positive responses, in per cent of total

	Supervisory authority/ies	National statistical office/s	Other public authorities	Other central banks	International organisations	Academia
Monetary and financial statistics	59	62	38	41	46	31
Supervisory data	53	27	22	37	42	15
Macroprudential data	47	32	25	37	40	20
General economics micro data	37	52	38	38	40	33
Legend:	High	Medium high	Medium low	Low		

► **supervisory authorities are the prime counterparty of central banks for data-sharing**

3. Role of sharing arrangements especially with external counterparts...

Average of all data types, by sharing arrangements from within and outside the central bank

Per cent

Specific legal author

Source: IFC survey on the sharing of micro data, 2016.



... in particular with researchers

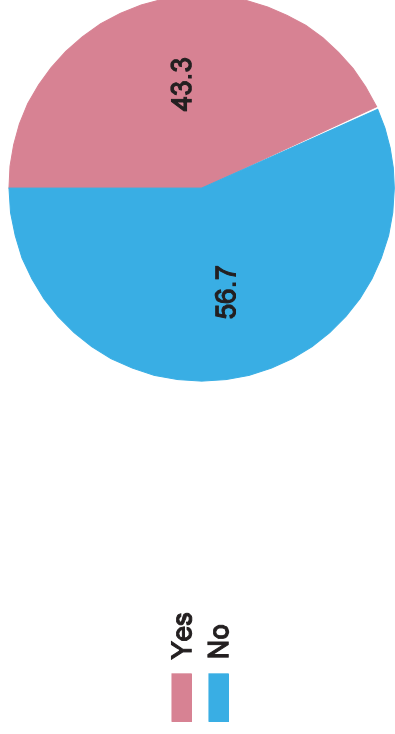
- Importance of legal agreements, MoUs, data aggregation, synthesis or anonymization.
- Sharing with academia typically governed by bespoke bilateral agreements.
- Several central banks are working on facilitating access to researchers.



4. Increased focus on the matching of micro data sets...

Does your central bank have a sharing environment for matching different micro data sets?

Per cent



Source: IFC survey on the sharing of micro data, 2016.

► ***Almost 50% of central banks have an environment to perform matching of micro data sets through anonymous or true identifiers***



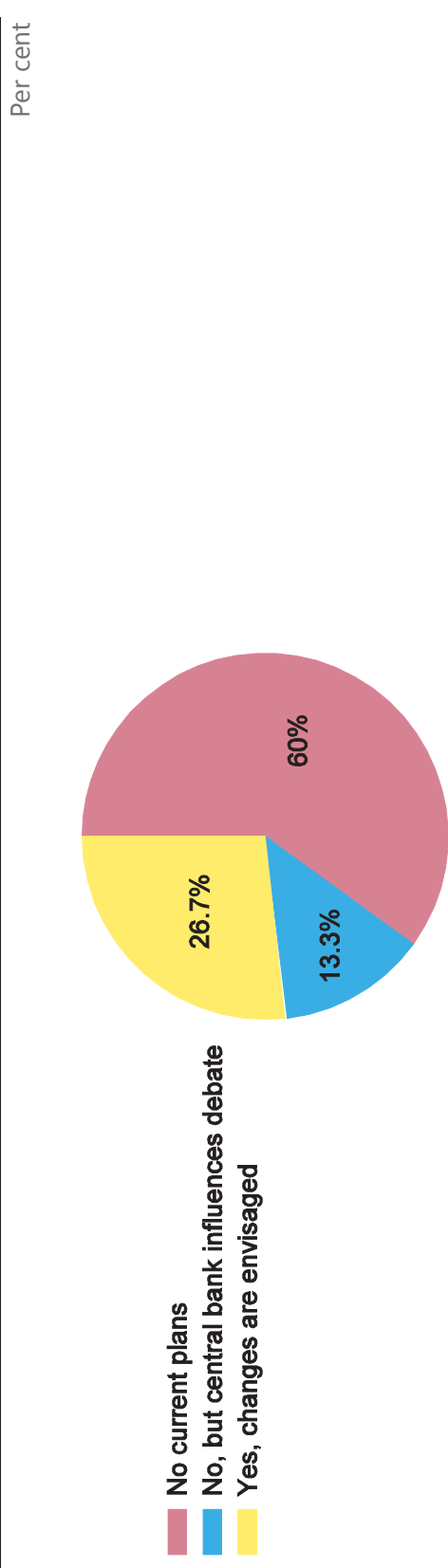
... bringing numerous benefits

- Same data set can be used for several purposes.
- Less collection costs, quality control, micro-level drill-down for aggregates...
- New data frontier: wealth of information available from granular “administrative” data sets.



5. No major changes envisaged to current practice...

Does your central bank have any plans for changing its current policy or practice with regard to micro data-sharing?

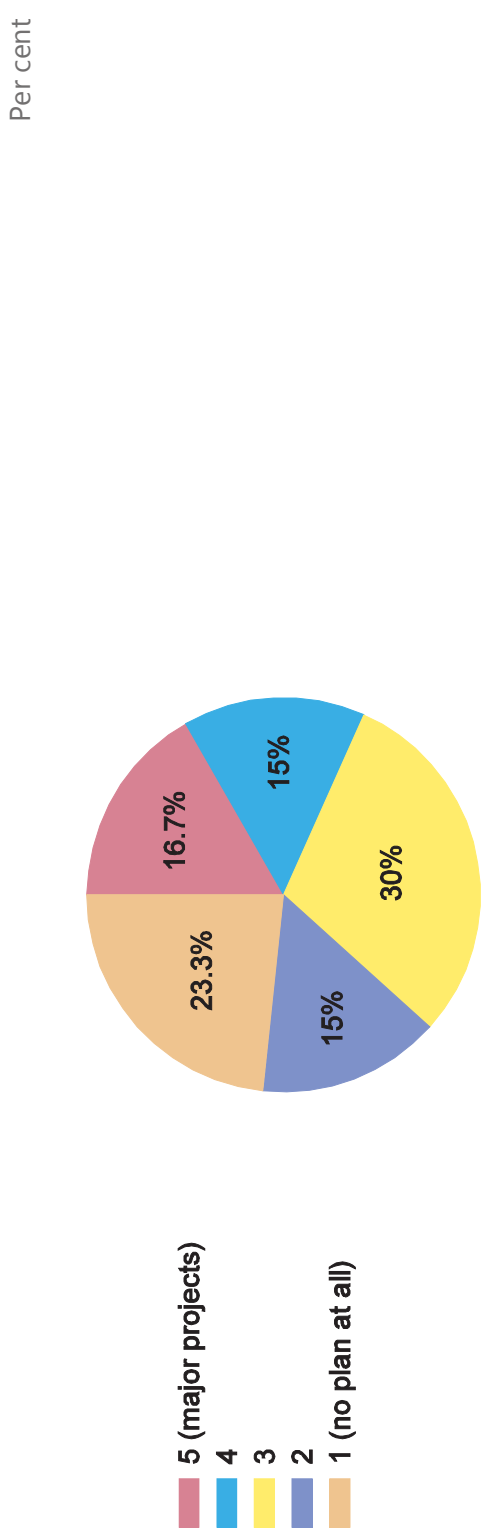


Source: IFC survey on the sharing of micro data, 2016.

► **some central banks do, however, actively influence public debate on the topic**

... including on IT security

Does your institution have plans to increase the IT security related to access and/or sharing of the data?



Source: IFC survey on the sharing of micro data, 2016.

► **most countries have no major plans to change current IT security arrangements**

6. Role of legal and confidentiality constraints...

Constraints affecting internal and external data-sharing (average of all data types)

Per cent

Legal constraints: nati

Source: IFC survey on the sharing of micro data, 2016.

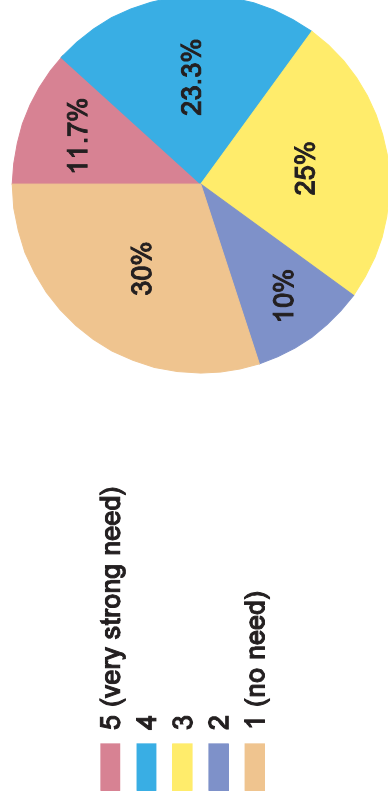
► **external data sharing constrained in almost all countries**



... especially for the sharing of micro data provided by private vendors

In your view, is there a need to ease the legal constraints imposed by commercial agreements in order to allow the sharing of micro data among public authorities?

Per cent



Source: IFC survey on the sharing of micro data, 2016.

► **need for easing constraints posed by commercial agreements for 60% of countries**

References

- IFC 2016 Report: *The sharing of micro data – a central bank perspective*
www.bis.org/ifc/publ/ifc-report-microdata.pdf
- IFC 2015 Report: *Data-sharing: issues and good practices*
www.bis.org/ifc/events/7ifc-tf-report-datasharing.pdf
- Questions?
IFC.secretariat@bis.org





Statistics Finland

CES In-depth review of exchange and sharing of economic data

Ville Tolkki

G-20 WORKSHOP ON DATA SHARING
Frankfurt, January 31-February 1, 2017

Background and scope

- 2015: Guide to Measuring Global Production
- 07/2015: Meeting of Group of Experts on National Accounts
- 10/2015: CES Bureau selected exchange and sharing of economic data for an in-depth review*
- 05/2016: Group of Experts on National Accounts discussion on data exchange
- In-depth review was limited to data sharing for producing official statistics (data sharing for research purposes and Big Data were out of scope)
- In-depth review covered the data sharing in national and international framework

*(Statistics Finland coordinated the work and UNECE provided secretariat. Contributions were received from Canada, Ireland, Netherlands, UK, Eurostat, OECD, IMF, UNSD and WTO)

International data sharing activities

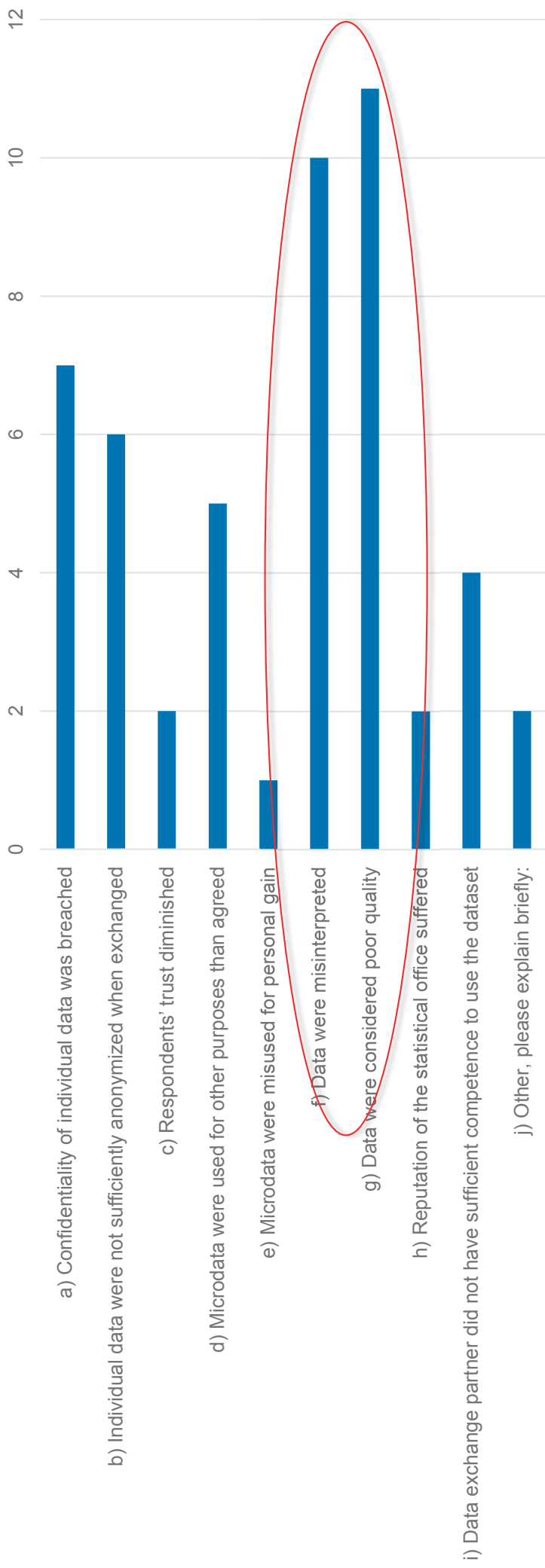
- Actions to reduce overlapping of reporting and solutions between international organizations to share data received from NSIs
 - World wide initiative SDMX
 - SDDS+ (IMF)
- Solutions to facilitate microdata exchange for cross border activities and corporate structures
 - Eurostat: SIMSTAT, FDI Network, EGR
- Developing handbooks and guidance
 - OECD and UNSD
- Analysis of global economy (including identifying trade asymmetries)
 - Global supply and use- frameworks
 - OECD, Eurostat, WTO-UNCTAD-ITC

National office data sharing practices

- CES survey of national experience in exchange and sharing of economic data: spring 2016, 48 responses
- Statistics Finland : Reuse of secondary data at national level
- Statistics Canada : Bilateral data exchange in trade data
 - 25 years experience in exchange of import micro-data (US)
 - Memorandum of Understanding
- SIMSTAT : Exchange export micro-data via HUB Finnish Customs
 - Partner Id
 - Dependency
- CSO Ireland : Aggregated data confrontation to solve asymmetries
 - FDI, respondent trust
- ONS-profiling
 - International data sharing is paramount

Country practices / CES Survey 48 offices: Risks

3.4. Have any risks of data sharing realized in your country in practice? Please select all options that apply.



Country practices / CES Survey 48 offices: Trend in micro-data sharing

	Reuse of micro-data at national level	
	No	Yes
Exchange of micro-data at international level		
Yes	0	18
No	3	27

SIMSTAT (19 EU-countries)

Paradigm shift

- The reuse of data at the national level has developed into a well-established practise
- Is there a way forward in measuring the globalized economy without exchanging micro-data at international level?

Benefits in data sharing

- 1 Improving data quality (addressing data asymmetries)
- 2 Reduced response burden
- 3 Efficient production system
- 4 Coverage and precision
- 5 Promote common business identifiers
- 6 Improved understanding of multinational enterprises (MNEs)

Challenges and risks

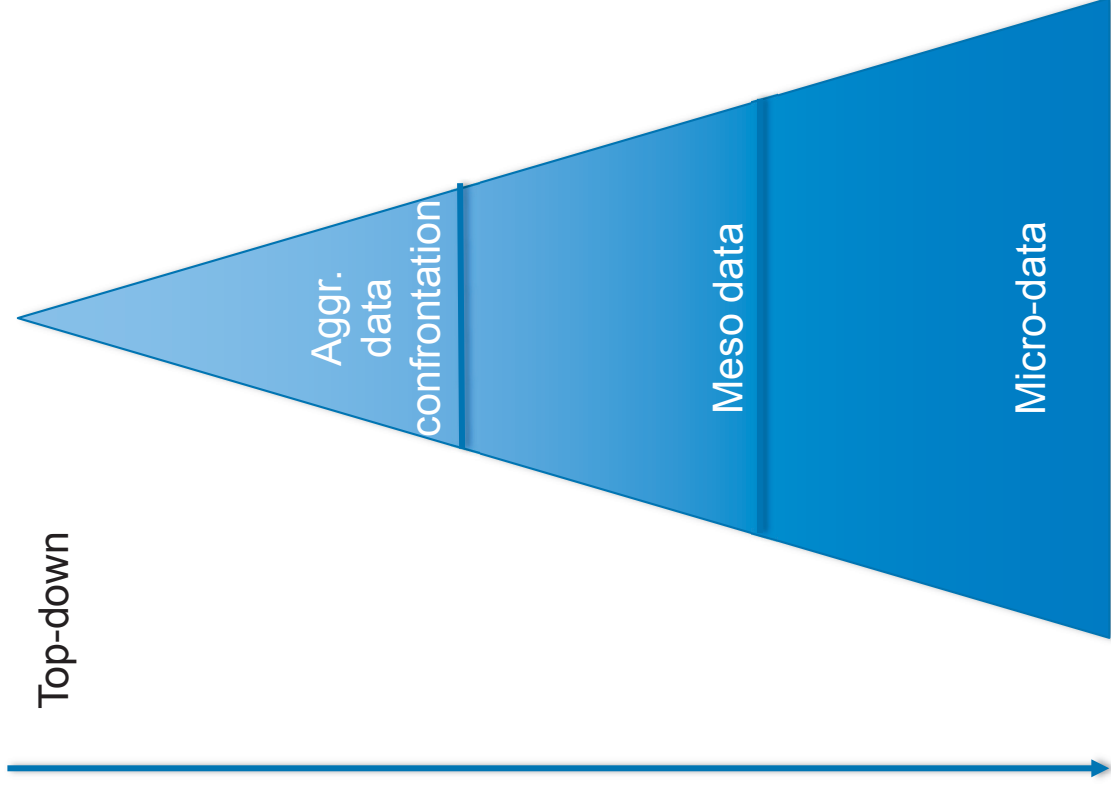
- 1 Legal constraints
- 2 Safeguarding confidentiality
- 3 Dependency on external data providers
- 4 Timeliness of external data sources
- 5 Differences in concepts and classifications
- 6 Quality issues in source data
- 7 Maintaining respondents trust
- 8 Technical capacity to handle data sets
- 9 Willingness to exchange data

Conclusions

- The data sharing is a delicate issue; the way forward should be addressed in small and achievable steps
- National data sharing is a well-established practice
 - Still countries working at different level; need of guidance and sharing of tools and good practices
 - Emerging issue; accessing private data sources, negotiating and raising awareness of private data holders

Conclusions

- International data confrontation at aggregated level helps to identify data asymmetries
 - Light version; no data confidentiality issues
 - Top down approach; from macro level to more detailed meso aggregates e.g. to get better view of activities of MNEs
- International exchange of cross border data at micro level
 - Efficiency gains, reduced response burden and improved quality
 - Share and learn from the well-established practices
- Engaging in more active data exchange requires profound cultural change in the statistical system



Way forward: The need to set up CES Task Force

- 10/2016 the CES Bureau discussed on the in-depth review and stressed the urgent need to operationalize the exchange of data between national statistical offices, and asked to identify key streams and priorities for further work
- Based on this a ToR for the Task Force on Exchange of Economic Data was prepared for the Bureau meeting in February 2017
- The Task Force will be established under the CES Steering Group on National Accounts and will report to the CES and its Bureau
- The Task Force should coordinate the work with
 - G20 Data Gaps Initiative,
 - Eurostat's Integrated Global Accounts (IGA) –projects,
 - Expert Group on International Trade and Economic Globalization Statistics,
 - The CES Task Force on Common Elements of Statistical Legislation and the Data Integration Project under the UNECE HLG-MOS

Way forward: The activities in the ToR of the CES task force

- Examine the ways in which countries currently exchange economic data at different levels of aggregation
- Identify good practices and develop tools in the international exchange of economic data, data confrontation and examining MNE's activities
- Develop practical guidance on the reuse of data at the national level taking into account confidentiality, respondents' trust and legal constraints, including in:
 - Data exchange among producers of official statistics
 - Access to external data sources, including administrative and private data sources
 - Technical, methodological and communicational aspects of data exchange

Way forward: The activities in the ToR of the CES task force

- Develop guidance on the exchange of economic data internationally taking into account confidentiality, respondents' trust and legal constraints, including
 - Principles for international exchange of micro-data
 - Proposals for defining the international statistical system and the scope and limits of international data exchange
 - Recommended methods on data exchange and joint analysis of MNEs' activities and good practices in communication with MNE's on data exchange
- Develop a typology for data sharing to elaborate and classify the different data exchange types and the related recommended methods and principles

Way forward: The activities in the ToR of the CES task force

- The main output will be guidance on national and international data sharing. In addition, the Task Force will consider establishing a knowledge-base to exchange good practices and organising specialised sessions or workshops
- The work of the Task Force should be conducted during the period from February 2017 to June 2019
- The Task Force will mainly work via email and telephone conferences. However, face-to-face meetings should be scheduled to formulate a more detailed work plan and discuss the initial results of tasks. In order to be cost effective the face-to-face meetings could be organized alongside with the meeting of the Group of Experts on National Accounts or other relevant international meetings

Data Sharing Policy and Challenges

Gurucharan Manna

Central Statistics Office

Government of India

Structure of Presentation

- Data Dissemination Policy of the Country
- Existing Practice of Data Sharing
- Challenges
- Way Forward for Data Sharing at International Level

Data Dissemination Policy: India

(Salient Features)

National Policy on Dissemination of Statistical Data (1999) (Approved by the Union Cabinet)

- Continuation of dissemination of official statistics in the form of reports / publications
- Validated data, though unpublished, be made available to national / international data users on payment basis after suppressing ID
- Data of sensitive nature not to be shared
- Data users to acknowledge data sources and not to pass on data to others
- To create a data warehouse for easy access of data

Data Dissemination Policy: India...

(Salient Features)

National Data Sharing and Accessibility Policy (2012)

- Recognises problem of inaccessibility of civil society to a large vol. of data that gets generated by using public funds
- Lays emphasis to promote data sharing and enable access to Govt of India owned data for national planning and development
- Benefits: Maximizing use; Avoiding duplication & Better decision making
- Types of access: Open / Registered / Restricted
- Pricing: To be decided as per existing guidelines and various ministries to upload pricing policy

Existing Practice of Data Sharing

- Availability of data in the form of (free) downloadable reports / publications / press releases brought out by various ministries
- Related methodologies in respect of censuses, surveys, index numbers, etc are also available in the websites of various ministries
- Unit (household / establishment) level data provided free of cost to govt. organizations and at a nominal price to others
- Unit level data made available to academic institutions free of cost, after signing of undertaking, for promoting research

Challenges of Data Sharing

- Multiplicity of agencies (within NSO) involved in data gathering exercise
- Identifying sharable data and making available metadata/ pricing norms/ advance release calendar of important statistical products
- Issue of accuracy of data at disaggregated levels
- Meeting demands for timely & more frequent data
- Resource constraints & lack of trained manpower

Way Forward

- Putting in place data dissemination policy by the NSOs
- Listing of important statistical products and the corresponding sources along with metadata and release calendar
- Developing integrated repository of data sets for easy access through a single window
- Identifying focal points within NSOs in the matter of data sharing and related issues

RESERVED INFORMATION

Final Version
Directorate of Financial System Information
16 Jan, 2017

Sharing information with financial authorities. The case of Mexico

Workshop of the G-20 Informal Study Group on Data Sharing

Frankfurt Jan 31th & Feb 1st, 2017



Introduction

- Data sharing among financial authorities in Mexico was greatly improved as a result of the Tequila Crisis to:
 - Gather financial information in an efficient way, reducing duplicities and optimizing financial institutions reporting to broaden its potential uses.
 - Provide consistency of information used by financial authorities.
 - Provide to each authority a more complete picture of the financial risks by guarantying access to a broader set of information.
 - Allow scale economies by concentrating the sources of information in fewer authorities.
- Data sharing has become the milestone of the financial authorities arrangement to allow an efficient supervision of financial institutions and markets by regulators.

Current normative framework for data sharing in Mexico

- In 2000 an agreement among financial authorities was signed with the objective of: Coordinating financial authorities actions to compile, store, share and disseminate the information received from the financial intermediates.
- This accord settled the basis to improve the efficiency of information requirements to financial institutions (it includes safeguards to prevent duplicated information requests by different authorities).
- The accord is in effect. Although it allows effective sharing arrangements among financial authorities, it was considered insufficient as data sharing was not mandatory. Therefore an improved framework has been under construction.
- In addition to the accord, the current normative framework for data sharing includes: i) Financial legislation. A recent financial reform, established mandatory data sharing among domestic financial authorities and provided to Banco de Mexico faculties to share information with foreign financial authorities using an MoU scheme; and ii) A new law of transparency and access to public information based on the principle of maximum disclosure.

Current normative framework for data sharing in Mexico

- The financial reform, in 2014, established in several laws mandatory data sharing among domestic financial authorities.
- The laws establish in order to preserve financial stability and avoid disruptions in the functioning of the financial system and/or payments system, the **financial authorities should share information that each one has:**
 - i. As result of their own functions;
 - ii. For some coordinated actions with other entities or authorities; and/or
 - iii. Obtained directly from other authorities.

Current normative framework for data sharing in Mexico

- Information sharing requires the authorities sign bilateral or multilateral MoU's, that should include: the information to be shared; the conditions for this sharing; the level of confidentiality of reserve of the information; and the control instances for specific situations (information denied or delays in its delivery).
- The 2014 Financial Reform also broadened the possibility for domestic financial authorities to share information with foreign financial authorities. Sharing information with foreign financial authorities should consider the reciprocity principle and requires signing an MoU to determine the conditions of the information exchange.
- With respect to broader issue of data dissemination, in 2015 a new General Law of Transparency and Access to Public Information was issued, this law underlines the principle of maximum disclosure for improving the transparency of activities of authorities. This law has broaden and strengthen data sharing practices.

Financial information model of Banco de Mexico

- The lessons of the 1994-1995 crisis in terms of information led to the strategic decision in Banco de Mexico to generate a financial system information model with microdata (item by item), improving the scope and availability of financial information.
- This was possible, because of the broad mandate of Banco de Mexico to surveil the development of the financial system and payment system.
- As a result of these mandate, Banco de Mexico has the faculty to request regulatory information (capital adequacy, liquidity and FX regulatory regimes), aggregated information on bank balances, and transactional information on the operation of financial intermediaries in all financial markets.

Financial information model of Banco de Mexico: Data sources

Received information

- Pension funds daily portfolio (microdata)
- Investment funds daily portfolio (microdata)
- Mortgages (microdata)
- Bank commercial loans (microdata)
- Ratings, prices, indices, interest rates, risk factors, etc. (aggregated)
- Regulated intermediaries financial statements (detailed by institution)

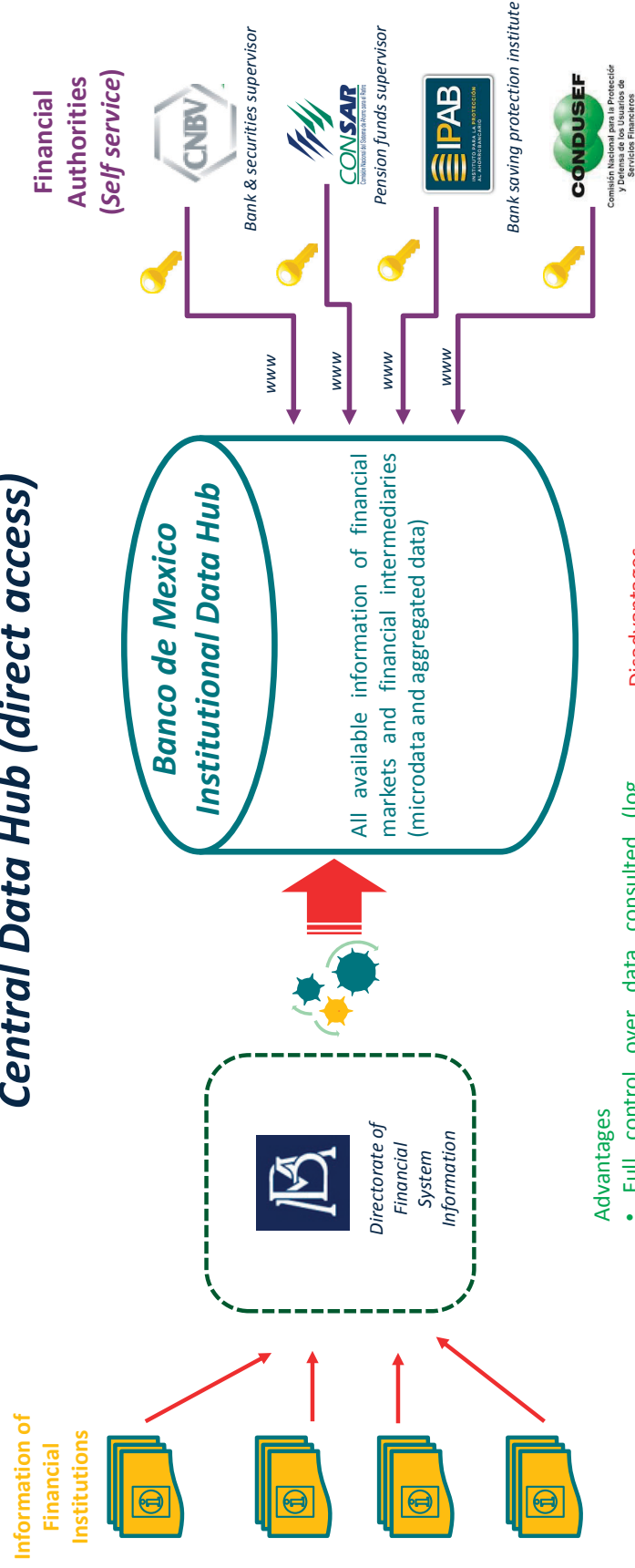
Shared information

- Derivatives (microdata)
- Securities (Repo / Buy – Sell / Security Lending (microdata)
- Foreign exchange operations (microdata)
- Interbank loans (microdata)
- Time deposits (microdata)
- Equities holdings (microdata)
- Credit & debit card transactions (microdata)
- Consumer loans (credit card, auto, personal, wage, etc.) (microdata)
- Credit bureaus (microdata)
- Financial fees and discount rates (microdata)
- Retail payment systems & payment network costs (aggregated)
- Demand deposits (aggregated)
- Financial products and services (detailed)
- Cash transactions in MXN and USD (aggregated)
- Capital adequacy (Basel III) (aggregated)
- Liquidity (Basel III) (aggregated)

Schemes on data sharing of Banco de Mexico

- Currently, Banco de Mexico has three schemes for sharing information both internally in the Central Bank and with other financial authorities.

Central Data Hub (direct access)



Advantages

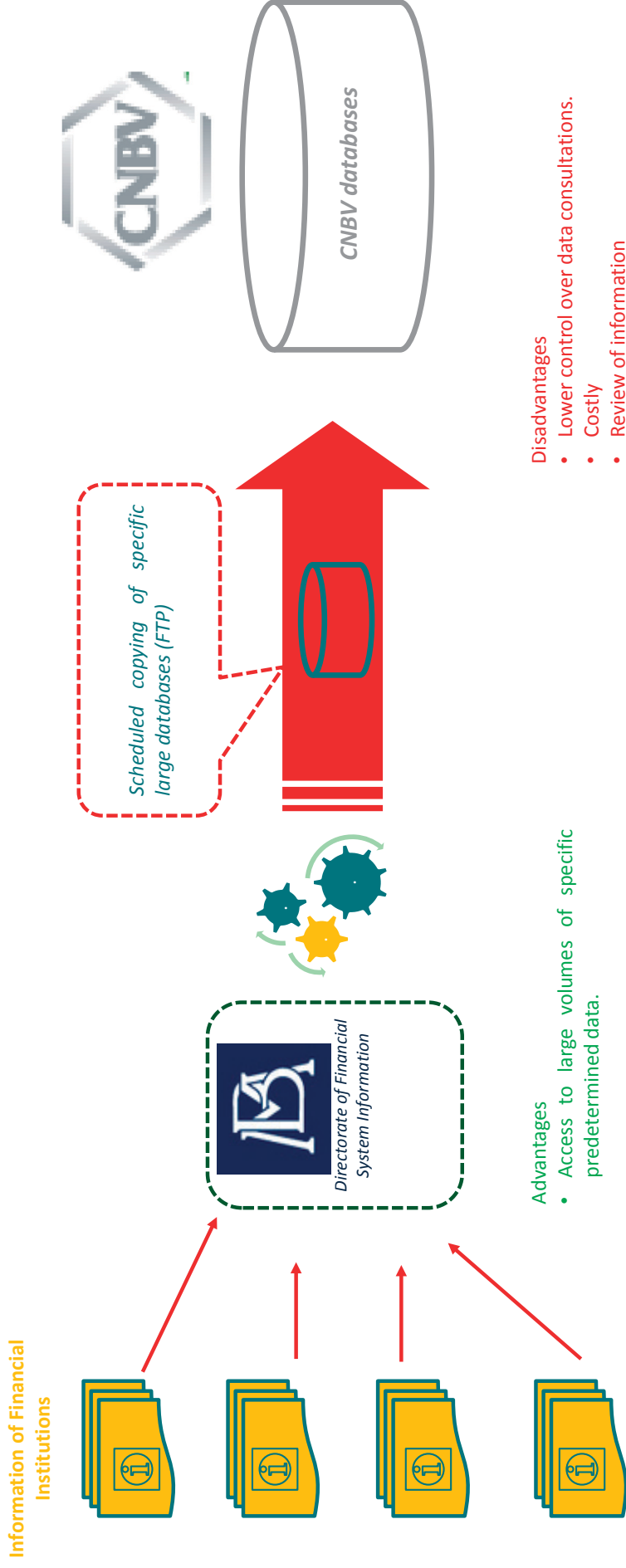
- Full control over data consulted (log records).
- Access to most available data.
- Easy tools for consulting data via queries.

Disadvantages

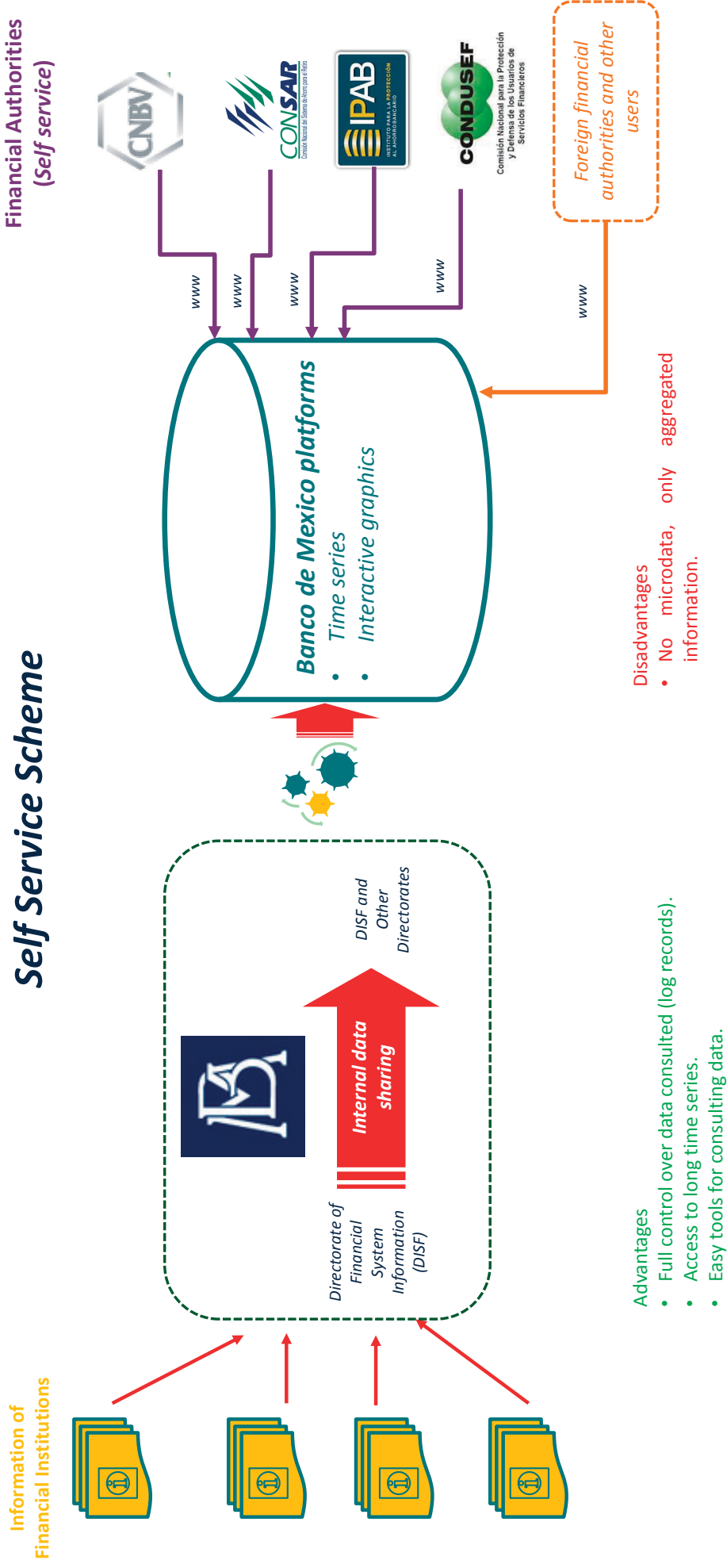
- Less efficient for large volumes of data queries.

Schemes on data sharing of Banco de Mexico

Controlled Service Scheme



Schemes on data sharing of Banco de Mexico



Challenges ahead

- Banco de Mexico is currently:
 - Updating bilateral MoUs for information sharing among domestic authorities.
 - Preparing a multilateral framework with strengthened governance.
 - Preparing “Trade Repository” like information on derivatives at Banco de Mexico for data sharing with foreign authorities.
 - Improving the access of general public and other financial authorities to databases of microdata.
- In relation with the last challenge, Banco de Mexico is working on two projects for the next years:
 - The design and implementation of a platform for disseminate microdata, following an open data framework.
 - Improving dissemination (for financial authorities) and publication of microdata information based on microdata on credit, money market operations, derivatives and FX operations, among others, using different tools (microdata statistics, interactive graphics, BI cubes, etc.)



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