

Key Messages of the 2015 Global Conference on the G-20 Data Gaps Initiative (DGI)
June 16-17, 2015

1) Implementation Issues

- Participants recognized the significant progress by G-20 economies in advancing the G-20 DGI agenda. It was noted that the DGI had been a motivator to improve the statistical system.
- Nonetheless, among the challenges economies face in implementing the DGI recommendations, are limited resources, confidentiality constraints that can limit data sharing, and the need for continuous interagency coordination.
- The importance of having efficient statistical infrastructures in place was stressed.

2) Policy Use of the Data

- G-20 economies make use of data coming out of the DGI for policy purposes to the extent possible. Nonetheless, the continuous need to guide users towards the relevant data becoming available under the DGI was stressed.
- The growing interest of users in granular data was raised, and the challenges in sharing such information were discussed including confidentiality. In this context, the ability to collect data at the micro level and so flexibly meet user demands as new risks emerge was highlighted.
- Further specific suggestions were made to meet the needs of users of data:
 - Having better consistency of consolidation methods for the FSIs across countries and better metadata.
 - Exploring the possibility of collection of data on the nationality of issuer for the CPIS reporting and collection of data on third party holdings, including from custodians. The feasibility of the latter had been discussed around a decade ago by the IMF Committee Balance of Payments Statistics (BOPCOM) without success but the feasibility of investigating this topic again by BOPCOM could be considered.
- Importance of making data available to the potential users both within institutions, countries and across borders was highlighted. It was suggested that countries exchange information on what data are available. In this context the national contact group being established under the DGI might help.

3) Second Phase of the DGI

General Strategy

- The proposed general strategy for the second phase of the DGI was supported by the participants of the Conference. The strategy was appreciated as it intends to consolidate the progress made during the first phase of the DGI and focuses on implementation and completeness of datasets. The proposed topics are mostly in line with national policy needs.
- The clarity of the language of the recommendations was welcome as it is seen as one of the preconditions of effective communication.
- Some participants felt that full implementation might take more than 5 years. More broadly, during the conference there was view that realistic timetables for some of the more ambitious recommendations need to be established. Staged implementation of the DGI-2 agenda was suggested as recommendations will have differing timelines. The idea of introducing concrete reporting templates for the operational recommendations to support implementation of these recommendations by G-20 economies was also raised.
- It was proposed that as in phase 1 a distinction be made between recommendations implementing existing frameworks and recommendations where further development of conceptual work is required by the international agencies e.g., recommendation 18 (CPPI).
- It was proposed to strengthen the main objective with more specific language on the use of data and the need for timeliness. The wording of the general strategy will be edited to incorporate this suggestion.
- The need to promote standard global codes such as the Legal Entity Identifier was raised given that broad adoption of LEI could contribute to the quality and comparability of many DGI datasets.

Recommendation 1: Mandate of the DGI

- There was support for the proposed recommendation.

The proposed wording of the recommendation was agreed.

Recommendation 2 & 3: Financial Soundness Indicators and Concentration and Distribution Measures (CDM)

- There was support for the proposed recommendations.

- There is a need to review the conceptual approach in distributional measures as outlined in the FSI Guide.
- A roadmap for the implementation of the recommendations should be developed based on the discussions at the FSI Conference which is intended to be held in early 2016. The outcomes of the Conference will be reported back to the G-20 DGI Global Conference.
- The 2015 Report to the G-20 Finance Ministers and Central Bank Governors (FMCBG) should explain the planned way forward with these recommendations.
- It was suggested that IMF and FSB cooperate in investigating the potential use of the FSIs for NBFIs to assess the shadow banking.

The proposed wordings of the recommendations were agreed.

Recommendation 4: Data for Global Systemically Important Financial Institutions (G-SIFIs)

- It was agreed to include in the recommendation language clarifying the role of the relevant supervisors as well as underlining the confidentiality issues.

The wording of the recommendation is intended to be revised as below:

The G-20 economies to support the International Data Hub at the BIS to ensure the regular collection and appropriate sharing of data about global systemically important banks (G-SIBs). In addition, the FSB, in close consultation with the IMF and relevant supervisory bodies, to investigate the possibility of a common data template for systemically important non-bank financial institutions starting with insurance companies. This work will take due account of the confidentiality and legal issues.

Recommendation 5: Shadow Banking

- Importance of clearly defining in a statistical manner the shadow banking sector was emphasized. The OECD questionnaire may contribute to this.
- It was underlined that the shadow banking concept may not necessarily fit with the sub-sectors of the financial corporations sector of the SNA2008.
- There was general support for the proposed recommendation.

The proposed wording of the recommendation was agreed.

Recommendation 6: Derivatives

- There was general support for the proposed recommendation.

The proposed wording of the recommendation was agreed.

Recommendation 7: Securities Statistics

- This recommendation is considered one of the most challenging particularly for countries that do not have security by security databases, given the expected breakdowns of debt security characteristics. Some countries presently can only provide data for the government sector. The need for flexibility in implementing the templates presented at the Conference was underlined as being essential given the diverse levels of existing national securities statistical frameworks.
- It was confirmed that the focus of the recommendation relates to debt securities.

The proposed wording of the recommendation was agreed.

Recommendation 8: Sectoral accounts

- It was suggested to drop “transactions” for from whom to whom matrices given the challenge to implement. However, the evolving user needs were also emphasized, for instance as raised by some private sector representatives.
- The clarifying text under the recommendation should be edited to be clear that the IAG sectoral accounts template requests annual (not quarterly) reporting of non-financial assets.
- The need for a longer time period for implementation of the recommendation given its very challenging nature was emphasized. Going forward, a timetable for the implementation would need to be developed with a clear indication of priorities.

The proposed wording of the recommendation was agreed.

Recommendation 9: Household Distributional Information

- It was suggested to include a reference to “wealth” in the recommendation. The explanatory text under the recommendation will also be slightly edited to reflect this change.

The wording of the recommendation is to be revised as below:

The IAG, in close collaboration with the G-20 economies, to encourage the production and dissemination of distributional information on income, consumption, saving and wealth (such as information by income quintiles), for the household sector. The OECD to coordinate the work in close cooperation with Eurostat and ECB.

Recommendation 10: International Investment Position (IIP)

- It was agreed that the feasibility of reporting the breakdowns by remaining maturity will be discussed at the BOPCOM. Further drill-downs of the non-financial corporation's sector by industry could be considered by BOPCOM when they discuss the separate identification of non-financial corporations in the external accounts.
- Despite its challenges the importance of reporting the currency breakdown was underlined and it was suggested that BOPCOM could discuss a broad timeline, even for the longer term given the G-20 FMCBG interest in foreign currency data.

The proposed wording of the recommendation was agreed.

Recommendation 11: International Banking Statistics (IBS)

- The importance of making more data publicly available was emphasized.
- There is need to ensure consistency across country reporting and clarity on the scope of the data reported. Going forward, BIS will focus on having the right metadata to support the data reporting.
- BIS will also work on ensuring consistency between the consolidated IBS and supervisory data.
- For countries which are currently not able to provide the granular and enhanced IBS, reporting a limited subset of data could be a good start.

The proposed wording of the recommendation was agreed.

Recommendation 12: Coordinated Portfolio Investment Survey (CPIS)

- The enhancement of CPIS data under phase 1 of the DGI was recognized as a major achievement.
- There was support for the idea of collecting quarterly CPIS to complement the IIP data, and for the IMF to discuss at BOPCOM the feasibility of quarterly reporting.
- Of those participants who spoke, the majority supported the request for sector of holder and sector of non-resident issuer breakdowns, but one country suggested these breakdowns to be included as encouraged items in the recommendation.
- Strengthening the reference to the links between the recommendations on securities statistics and CPIS was emphasized.

The proposed wording of the recommendation was agreed subject to reviewing the precise wording on the sector breakdown.

Following the Conference, the IAG agreed on the following wording for the recommendation:

G-20 economies to provide, on a semi-annual frequency, data for the IMF CPIS, including the sector of holder table and, preferably, also the sector of nonresident issuer table. IMF to monitor the regular reporting and consistency of data, to continue to improve the coverage of significant financial centers and to investigate the possibility of quarterly reporting.

Recommendation 13: Coordinated Direct Investment Survey (CDIS)

- There was support for the proposed recommendation.
- Questions were raised regarding the differences in valuation methods particularly between those recommended in BPM6 and CDIS. It was agreed to place this issue on the BOPCOM agenda.

The proposed wording of the recommendation was agreed.

Recommendation 14: Cross border exposures of non-bank corporations

- Participants emphasized the importance of this work for policy purposes. However, concerns were raised regarding the language of the recommendation not being clear about the scope and the specificity of the work. The potential overlaps with other recommendations were also underlined.

The IAG will look into the language of the recommendation with an intention to make it more specific.

Following the Conference, the IAG agreed on the following wording for the recommendation:

The IAG to improve the consistency and dissemination of data on non-bank corporations' cross-border exposures, including those through foreign affiliates and intra-group funding, to better analyze the risks and vulnerabilities arising from such exposures including foreign currency mismatches. The work will draw on existing data collections by the BIS and the IMF, and on the development of the OECD framework for foreign direct investment. The G-20 economies to support the work by the IAG.

Recommendation 15: Government Finance Statistics

- Focus of the recommendation on general government was supported and the need for going beyond general government to cover the public sector was underlined by some participants.

- Difficulties in compiling data for the subsectors of government, particularly local government, were highlighted and it was underlined that the recommendation at the G-20 level may help statisticians to overcome these difficulties.
- Links between the System of National Accounts (SNA) and Government Finance Statistics (GFS) were emphasized.
- It was agreed to encourage accrual accounting in the recommendation.

The wording of the recommendation is to be revised as below:

The G-20 economies to disseminate, quarterly general government data consistent with the Government Finance Statistics Manual 2014 (GFSM 2014). Adoption of accrual accounting by the G-20 economies is encouraged. The IMF to monitor the regular reporting and dissemination of timely, comparable and high quality government finance data.

Recommendation 16: Public Sector Debt Statistics

- In response to the questions raised on valuation methods, it was underlined that both nominal and market valuations are encouraged in public sector debt statistics.
- It was suggested to drop the words “broad instrument coverage” from the recommendation but a consensus was not reached.
- The importance of contingent liabilities was emphasized. However due to the challenges in reporting, one participant suggested dropping the reference to it in the explanatory text under the recommendation. IAG will look into the explanatory text keeping in mind the user interest in this area.

The proposed wording of the recommendation was agreed subject to the IAG reviewing the inclusion of “broad instrument coverage”.

Following the Conference, the IAG agreed to leave the recommendation unchanged.

Recommendation 17: Residential Property Prices

- It was agreed to include a reference in the explanatory text to underline the links of the work on residential property prices with other relevant DGI recommendations.
- Clarity on what is meant by other housing related indicators was requested. The OECD survey on these indicators could be considered as a starting point. It was agreed that broad consultation would be undertaken before any list is finalized, for example in a thematic meeting.

The proposed wording of the recommendation was agreed.

Recommendation 18: Commercial Property Prices

- There was general agreement on the analytical usefulness of the data. However, the need for an internationally agreed methodology, including agreement on the definition of commercial property, was emphasized. Consultation with users is needed.
- Given the relatively underdeveloped statistics on commercial property price indices, more work needs to be done to increase the availability of better quality and consistent data. BIS will continue to collect available data and improving the metadata.

The proposed wording of the recommendation was agreed.

Recommendation 19: International Data Cooperation and Communication

- There was strong support for reducing the reporting burden on economies and having consistent national data available for users.
- Presentation of national data on national websites, as well as the PGI website and broadening access is suggested to be encouraged. Communication of the results of the analysis done with the data is also important and needs to be encouraged. This could promote the overall use of the data.
- The responsibility of national and international institutions along the data dissemination chain needs to be clarified. Ownership of national data remains with the national authorities.
- Some country participants prefer direct reporting and direct contact with each of the international organizations (IOs) to whom they send data, rather than channeling data reporting through a single IO.
- Technological advances in data sharing are appreciated, including through the use of SDMX.

The IAG will discuss to improve the wording of the recommendation and the explanatory text under the recommendation to reflect upon the discussions.

Following the Conference, the IAG agreed on the following wording for the recommendation:

The IAG to foster improved international data cooperation among international institutions and support timely standardized transmission of data through internationally

agreed formats (e.g. SDMX) to reduce the burden on reporting economies, and to promote outreach to users. The IAG to continue to work with G-20 economies to present timely, consistent data on the PGI website and on the websites of participating international organizations.

Recommendation 20: Promotion of Data Sharing

- There was general support for the substance of the recommendation. Even raising this issue of confidentiality at the G-20 level would be of help for the ultimate objective of increased data sharing. Further, some stocktaking of best practices in current data sharing of granular information could be made.
- There is also scope for revisiting the existing confidentiality constraints with an aim to increase the availability and accessibility of data. Therefore, it was suggested to remove “subject to confidentiality constraints” from the wording of the recommendation. However, no consensus was reached.

The IAG will discuss to improve the wording of the recommendation and the explanatory text under the recommendation to reflect upon the discussions.

Following the Conference, the IAG agreed on the following wording for the recommendation:

The IAG and G-20 economies to promote and encourage the exchange of data and metadata among and within G-20 economies, and with international agencies, to improve the quality (e.g. consistency) of data, and availability for policy use. The G-20 economies are also encouraged to increase the sharing and accessibility of granular data, if needed by revisiting existing confidentiality constraints.