



EUROPEAN CENTRAL BANK

EUROSYSTEM

# Complementary cost-benefit assessment questionnaire on the Integrated Reporting Framework for the banking industry

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## Executive summary

Following the launch of the Integrated Reporting Framework (IReF) Programme and its non-IT design phase in December 2021<sup>1</sup>, the Eurosystem conducted an in-depth analysis of the feedback received in the IReF cost-benefit assessment (CBA). The banking industry was also involved in the analysis of the CBA results in the context of a workstream of the Banks' Integrated Reporting Dictionary (BIRD).

This analytical work was key to gaining additional insights into potential solutions for implementing the scenarios considered in the IReF. However, it also highlighted a number of gaps, showing the need for an additional assessment, to be carried out in cooperation with the banking industry and other stakeholders, to define the features of the reporting that will be captured in the IReF Regulation.

For instance, country-specific requirements that are common<sup>2</sup> across the euro area could be integrated into the common IReF reporting scheme providing the overall reporting process would benefit from the streamlining. It could also be useful to include additional information in order to optimise the analytical value of the IReF for European System of Central Banks (ESCB) compilers and user groups. Similarly, closer alignment between the IReF and FINREP solo reporting could be beneficial for both reporting agents and authorities. Furthermore, the CBA did not assess several important questions regarding how the reporting will be organised in practice – for example whether data submissions will consist of full reporting of the dataset, including the reference periods affected by revisions, or whether only changes will be reported. These gaps underlined the need for a complementary assessment by the banking industry and other stakeholders to define the features of the reporting that will be captured in the IReF Regulation.

**The current complementary CBA therefore tests a large number of additional requirements for possible inclusion in the IReF. If all of these were adopted, it would have a major impact on the design of framework for collecting information. Respondents are therefore invited to approach the new avenues under consideration as an opportunity to improve the soundness of the IReF, rather than as a new set of requirements from regulators. In fact, most of the proposals are aimed at simplifying the national reporting that would otherwise continue to exist in parallel to the IReF and further strengthening the granular approach to reporting proposed. They would therefore bring regulatory reporting closer to banks' internal systems.**

The national central banks (NCBs) of the countries participating in the complementary questionnaire have selected respondents with a view to ensuring minimum coverage of 80% of their domestic banks in terms of total assets, and to including institutions of all sizes and types. In addition, any credit institution and

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<sup>1</sup> See “the ECB moves towards harmonising statistical reporting to ease burden for banks and improve analysis”, *press release*, ECB, of 17 December 2021.

<sup>2</sup> See Section 3 for an explanation of the conditions under which country-specific requirements are common across the euro area.

deposit-taking corporation other than credit institutions resident in participating countries may express interest in completing the questionnaire. Should you be interested in participating, please contact your NCB.

Based on the feedback received from the banking industry and other stakeholder groups in response to the CBA questionnaires and depending on the outcome of the “matching of costs and benefits” process, the ESCB will draft a regulation on the statistical reporting of credit institutions and deposit-taking corporations other than credit institutions under the IReF. The draft IReF Regulation will be subject to a public consultation before a final version is submitted to the Governing Council for adoption. The IReF Regulation will replace the existing ECB regulations on monetary financial institution (MFI) balance sheet items (BSI) and interest rates (MIR) statistics, securities holdings statistics (SHS) and AnaCredit with respect to the requirements of credit institutions and deposit-taking corporations other than credit institutions. The MIR and AnaCredit Regulations will be repealed, while the BSI and SHS regulations will be recast or amended to exclude credit institutions and deposit-taking corporations other than credit institutions from the reporting population.

# 1 Introduction

## 1.1 Background

In recent years the Eurosystem has been conducting a cost-benefit analysis to assess the possibility of establishing an Integrated Reporting Framework (IReF) and the features this might have, in close cooperation with the banking industry and other relevant stakeholders (i.e. Eurosystem national central banks (NCBs) as reporting agents and compilers, as well as ESCB user committees and ECB Banking Supervision). The first step was conducted in 2018 and consisted of a qualitative stock-taking on the state of play across domains and countries, aimed at helping to design scenarios for the collection aspects of a possible integrated framework. The feedback received allowed a more limited set of scenarios to be developed.<sup>3</sup> This was subsequently assessed in the cost-benefit assessment (CBA) conducted between November 2020 and April 2021. The results were published in a series of reports in December 2021<sup>4</sup> (when the Eurosystem launched the IReF Programme and its non-IT design phase) and September 2022.<sup>5</sup>

On analysing the CBA results with stakeholder groups, it became apparent that a complementary assessment would be necessary to address additional topics of relevance for setting up the IReF. These include, for example, how gaps identified in the integration of existing requirements can be addressed by introducing additional attributes in the IReF, and how country-specific requirements common across euro area countries could be included in the IReF Regulation providing they arise from Eurosystem tasks. This resulted in a large number of potential additional requirements to be tested in the complementary CBA. Respondents are invited to approach the new avenues under consideration as an opportunity to increase the soundness of the IReF, rather than as a new set of requirements from regulators. In fact, most of the proposals aim at simplifying the national reporting that would otherwise continue to exist in parallel to the IReF and further strengthening the granular approach to reporting proposed in the IReF. This would bring regulatory reporting closer to banks' internal systems.

This questionnaire represents the complementary CBA with the banking industry. **Respondents are asked to provide feedback by 31 July 2023.**

In parallel, the Eurosystem has initiated the matching of costs and benefits of the scenarios under consideration for all topics covered in the CBA. This process will

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<sup>3</sup> See [“Qualitative stock-taking questionnaire on the integrated reporting framework – analysis of high-level considerations and high-priority technical aspects”](#), ECB, Frankfurt am Main, February 2019.

<sup>4</sup> See [“Cost-benefit assessment on the Integrated Reporting Framework – Analysis of high-level considerations and high-priority technical aspects”](#), ECB, Frankfurt am Main, December 2021.

<sup>5</sup> [“Cost-benefit assessment on the Integrated Reporting Framework – Content-related topics and technical aspects”](#); [“Cost-benefit assessment on the Integrated Reporting Framework – Reporting schedules, revision policy, approach to derogations and implementation aspects”](#); and [“Cost-benefit assessment on the Integrated Reporting Framework – Technical integration of country-specific requirements in the IReF”](#), all ECB, Frankfurt am Main, September 2022.

help identify the preferred scenarios to be implemented in the IReF, also bearing in mind the feedback received from stakeholders in the complementary CBA. The outcome of the matching process will represent the basis for drafting the IReF Regulation. The results of the matching exercise will be published to provide background information for the public consultation on the draft regulation.

## 1.2 The structure of the complementary CBA

The questionnaire starts by collecting general information on the respondent and then goes into more depth in different sections. First, the possibility of including country-specific requirements that do not arise from existing ECB statistical regulations in the IReF Regulation is assessed. As clarified in the report of September 2022,<sup>6</sup> providing these are common to a number of NCBs, it might be beneficial to include them in the IReF Regulation to simplify the content and structure of country-specific requirements that will continue to apply under national law. Including additional information may also be considered as a way of optimising the analytical value of the IReF for all stakeholders. For instance, tracking changes in instrument identifiers may make it possible to link IReF reporting to other datasets of relevance for reporting agents, compilers and ESCB user groups. In addition, the complementary CBA assesses some important questions relating to how the IReF reporting will be organised in practice, for example whether the data submissions will consist of full reporting of the dataset, including for the reference periods affected by revisions, or whether only changes will be reported. Lastly, while the CBA that was conducted in 2020-2021 already investigated the possible alignment of the reporting schedule of IReF quarterly information to FINREP, alignment of the content and definitions of FINREP on an individual basis may also be beneficial for IReF stakeholders.<sup>7</sup>

Unlike the CBA, this complementary questionnaire is not accompanied by a draft reporting scheme showing how the information would be captured in the IReF implementation model. The introductory text to each section about an extension in content provides a definition of the information being considered for inclusion and how the various stakeholders would be affected. The [draft IReF reporting scheme](#) published in 2020 with the CBA can also be used to put the new information under assessment into context.

The questions have been formulated to assess the costs and benefits of the individual scenarios presented. However, some questions look at scenarios in relative terms, comparing them with a baseline or reference scenario. With regard to costs, the complementary CBA distinguishes between one-off costs that may be incurred at the time of implementation (such as setting up the technical and operational infrastructure) and the regular costs for running the system.

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<sup>6</sup> See “[Cost-benefit assessment on the Integrated Reporting Framework – Analysis of high-level considerations and high-priority technical aspects](#)”, ECB, Frankfurt am Main, December 2021.

<sup>7</sup> This section is addressed to credit institutions only.

When completing the questionnaire, respondents are invited to bear in mind current statistical data requirements and reflect on the potential of the IReF to reduce regular costs in the long run compared with the existing approach based on different ECB statistical regulations and national collection systems. In addition, while implementing the IReF may require an initial investment, respondents are also asked to remember that implementation costs may arise even in the absence of the IReF, for example due to new or updated data collections. In other words, only the additional implementation costs expected to arise from the IReF should be considered. Respondents should consider that, in line with the AnaCredit Regulation, the IReF data collection will follow statistical principles, whereby the reporting agent is asked to submit separate reports for the individual observed agents – i.e. distinguishing between positions relating to the head office and those relating to each of its foreign branches. Moreover, for the first transmission, data will be provided for all instruments that exist at that point in time, and not only for new instruments (for example, new loans). No backward-looking requirements will apply when the IReF is implemented – i.e. no historical data will be needed and data will only be reported from the first reporting period under the new arrangements.

Some questions may not be relevant to specific respondents or the institutions they represent – for example a respondent may not issue debt securities. In such cases, respondents should assess the costs and benefits they would expect to materialise should the underlying activity become relevant. Respondents should also note that the IReF will embed proportionality features (see the section of the CBA questionnaire entitled “Derogation scheme”<sup>8</sup>), so not all proposed scenarios may be directly applicable to small institutions.

The questionnaire addresses different types of respondents in the banking industry: credit institutions (including investment firms classified as credit institutions under the Capital Requirements Regulation – CRR), deposit-taking corporations other than credit institutions (referred to below for simplicity as “other deposit-taking corporations”), banking associations and service providers. Filters are used to indicate which part of the text applies to a specific type of respondent, such as:

**<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>**

These filters will be implemented in the online survey so each respondent only sees the text applicable to the group to which it belongs. In this document, this may result in duplication of sections (e.g. Section 3.1) or questions (e.g. Questions 3.7 to 3.9).

Questions need not to be answered in the order given, as cross-linkages between the different sections have been limited as far as possible. However, it is advisable to read Section 3.1 on the possible extension of the IReF Regulation to cover granular anonymised data on loans to natural persons for credit institutions and loans to

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<sup>8</sup> See “[Cost-benefit assessment on the Integrated Reporting Framework – Reporting schedules, revision policy, approach to derogations and implementation aspects](#)”, ECB, Frankfurt am Main, September 2022.



natural persons and legal entities for deposit-taking corporations other than credit institutions before answering the remainder of the questionnaire, as the implications of the individual topics may vary depending on the scope of the granular reporting on loans.

**<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>**

## 2 Information on the respondent

### 2.1 Identification

#### Question 2.1

Please confirm your identity.

Type of institution responding	[Credit institution / deposit-taking corporation other than credit institution / banking association / service provider]
Name	[Name of institution responding]
Country	[Country ISO code]

#### Question 2.2

Please provide contact details for the person responsible for completing the questionnaire.

Name	
Role	
Department	
Email address	
Telephone number	

#### <filter: credit institutions / other deposit-taking corporations>

The survey may also be answered on behalf of other credit institutions and deposit-taking corporations other than credit institutions resident in the same country – such as an entity in a banking group providing feedback on behalf of other national subsidiaries within the group as well as its own.<sup>9</sup> Where this is the case, your NCB will have already pre-filled the list of institutions below on the basis of the input provided during the preparatory phase. Please confirm this is correct and amend as necessary.

<sup>9</sup> Branches or subsidiaries of euro area institutions may request to use the answer of an entity of the banking group resident in another country for the purpose of the exercise (i.e. when the parent itself is responding to the complementary CBA via its host NCB). However, these cases should not be indicated in this section, which is limited to domestic cases. Instead, entities interested in using this option, should inform their NCBs (i.e. both the host and the home NCBs) via email.

### Question 2.3

Please indicate whether you are answering the survey on behalf of other institutions.

<b>No, I am answering the survey only on behalf of my own institution</b>	<input type="checkbox"/>
<b>Yes, I am answering the survey on behalf of other institutions</b>	<input type="checkbox"/>
Please select the institutions you are representing in the survey besides your own: <multiple choice> [Drop-down menu: Domain = Preselected list of MFI names with the corresponding RIAD codes]	

#### <filter: banking associations / service providers>

National banking associations and service providers may be invited to participate in the survey, either on their own behalf or on behalf of the credit institutions and other deposit-taking corporations they represent. If you have been invited to participate on behalf of the latter, your NCB will already have completed the list of institutions below. Please confirm it is correct and amend as necessary.

### Question 2.4

Please indicate whether you are answering the survey on behalf of other institutions.

<b>No, I am answering the survey only on behalf of my own institution</b>	<input type="checkbox"/>
<b>Yes, I am answering the survey on behalf of other institutions</b>	<input type="checkbox"/>
Please select the institutions you are representing in the survey: <multiple choice> [Drop-down menu: Domain = Preselected list of MFI names with the corresponding RIAD codes]	

#### <filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

Respondents are invited to indicate whether they are engaged in custodian activities and, if so, whether data on the holdings of their customers can be reported based on economic ownership, as requested by ECB statistical regulations, or on legal ownership.<sup>10</sup> The IReF will only address custodians that are credit institutions or other deposit-taking corporations; other custodians will continue to be addressed under the SHS.

<sup>10</sup> The legal owner is the unit entitled in law to own the asset. The economic owner is the one entitled to the risks and rewards of using the asset. For instance, securities provided under securities lending and repurchase agreements are treated as not having changed economic ownership because the lender is still the beneficiary of the income yield from the security, and subject to the risks or benefits of any change in the price of the security. For an example, please refer to Example 5 in the "[Guidance notes to reporting agents on SHS regulation](#)", ECB, Frankfurt am Main, May 2020.

See also paragraphs 1.90 and 5.129 of the "[European system of national accounts 2010 \(ESA 2010\)](#)", Publications Office of the European Union, Luxembourg, 2013; also Regulation (EU) No 549/2013 of the European Parliament and of the council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1).

### Question 2.5

Please indicate whether your institution, or an institution on whose behalf you are answering the survey, performs custodian activities on holdings of securities.

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

<filter: if answer to Question 2.5 is 'Yes'>

Whenever an entity is responding on behalf of other institutions, Questions 2.6 and 2.7 should be answered based on the most prevalent practice among the institutions represented.

### Question 2.6

Please indicate the principle on which custodian reporting is currently performed.

Economic ownership	<input type="checkbox"/>
Legal ownership	<input type="checkbox"/>

### Question 2.7

Please indicate whether economic ownership of securities held in custody with your institution can be retrieved in your internal systems for the purposes of reporting information on amounts outstanding of securities held in custody.

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

<filter: credit institutions / banking associations / service providers>

The last question in this section invites respondents to indicate whether their legal entity is required to report FINREP on an individual basis in accordance with the provisions of Regulation (EU) No 2015/534<sup>11</sup>.

Where an entity is responding on behalf of other institutions, the next question should be answered based on the most prevalent situation among the institutions represented.

<sup>11</sup> Regulation (EU) 2015/534 of the European Central Bank of 17 March 2015 on reporting of supervisory financial information (ECB/2015/13) (OJ L 86, 31.3.2015, p. 13).

### Question 2.8

Please indicate whether your legal entity has to report FINREP on an individual basis.

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 2.2 Information notice to respondents

This survey has been developed by the Statistics Committee of the ESCB under its mandate to advise on the design and the compilation of statistical information collected by the ECB with the assistance of the NCBs.<sup>12</sup> The Statistics Committee has established a working group on integrated reporting and the data dictionary which is responsible for developing the IReF and consists of staff members of the ESCB. This working group is responsible for carrying out the survey.

Participation in the survey is voluntary. Respondents' individual answers will only be visible in non-anonymous form to selected staff members of the NCB Statistics Department of the country in which the respondent is resident, for the purpose of assessing the results of the survey. The working group mentioned above will also have access to individual answers to facilitate the technical processing of the information. An obligation to observe professional secrecy applies to all persons accessing respondents' individual answers.

When analysing the results, the ECB may use individual data reported by respondents to their NCB under the ECB Regulation on MFI BSI statistics<sup>13</sup> – for example to calculate weighted averages or stratify respondents by size. Transmission of this data to the ECB and their use for the IReF complementary CBA is based on Article 8.4(b) of Council Regulation 2533/98,<sup>14</sup> as it is necessary for “the efficient development, production or dissemination of statistics under Article 5 of the Statute.”

Personal data collected through the survey will be used only for the purpose of conducting the exercise – for example for contacting the person responsible for completing the questionnaire in the event that clarifications are needed.

<sup>12</sup> See also the ECB [website](#).

<sup>13</sup> Regulation (EU) No 2021/379 of the ECB of 22 January 2021 on the balance sheet items of credit institutions and of the monetary financial institutions sector (recast) (ECB/2021/12), (OJ L 73, 3.3.2021, p. 16).

<sup>14</sup> Council Regulation (EC) No 2533/98 of 23 November 1998 concerning the collection of statistical information by the European Central Bank (OJ L 318, 27.11.1998, p. 8).

The ESCB will take all necessary regulatory, administrative, technical and organisational measures to ensure the physical and logical (including electronic and IT) protection of the information, including with regard to the transmission, storage, access and use of the information contained in respondents' individual answers to this questionnaire. For additional information please refer to the [privacy statement](#).

**<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>**

### 3 Extension of the IReF Regulation to cover country-specific requirements

Country-specific requirements are reporting requirements included in national frameworks that do not arise from ECB statistical regulations but are covered by national legislation. They are considered by the banking industry to be one of the cost drivers in data reporting. Many of the existing country-specific requirements are already included in the IReF reporting due to the level of detail and granularity of the scheme envisaged. NCBs are also assessing the relevance of their existing country-specific requirements. However, the business need for country-specific requirements will always exist, for instance in connection with national legal obligations or other European and international frameworks; for instance, national central credit registers (CCRs) will continue to exist. The question of how to best avoid double reporting with IReF is key. Another example relates to the recommendation of the European Systemic Risk Board (ESRB) on closing real estate data gaps<sup>15</sup>, which resulted in the level of detail, modelling, definitions, scope, etc. being implemented differently and in an uncoordinated way across euro area countries. In the light of the above, the IReF offers a unique opportunity to standardise country-specific requirements.

To address the industry concerns, the Eurosystem engaged in a detailed assessment of country-specific requirements that would not be absorbed by the baseline scenario of the IReF presented with the CBA and cannot be discontinued by NCBs, with the aim of identifying those which are common to several NCBs.<sup>16</sup> As explained in the report of September 2022 on this topic,<sup>17</sup> the Eurosystem proposes to assess with stakeholders whether it might be beneficial to include new requirements in the IReF Regulation with the objective of standardising reporting across the euro area as far as possible. Country-specific requirements for which there is a business need and which will not be captured by the IReF Regulation will continue to be collected at the national level (ideally based on a common IReF extended technical layer).<sup>18</sup>

The section opens with a crucial question: whether granular collection could apply to all loans. First, thanks to the flexibility afforded by granular data collection, this proposal could facilitate the inclusion of requirements that are applicable in most euro area countries, like those on real estate arising from ESRB recommendations. Second, granular collection of all loan data in the IReF, both for credit institutions and other deposit-taking corporations, means that, when deemed relevant at national level, granular loan requirements which will remain country-specific after the IReF has been implemented (for example, those arising from CCRs) could be effectively

<sup>15</sup> Recommendation of the European Systemic Risk Board of 31 October 2016 on closing real estate data gaps ([ESRB/2016/14](#)), successively amended by Recommendation [ESRB/2019/3](#).

<sup>16</sup> For the purpose of this exercise, country-specific requirements were identified as common when applicable to at least four euro area countries.

<sup>17</sup> See “[Cost-benefit assessment on the Integrated Reporting Framework – Technical integration of country-specific requirements in the IReF](#)”, ECB, Frankfurt am Main, September 2022.

<sup>18</sup> See also “[The Eurosystem Integrated Reporting Framework: an overview](#)”.

collected without duplication, as the common attributes may be collected only once. This is discussed next. The section then continues by reviewing specific cases of common country-specific requirements that are requested in several countries but do not arise from existing ECB statistical regulations and could be included in the IReF Regulation. While this approach may introduce additional requirements for countries that do not have them in place at the moment, inclusion in the IReF Regulation would ensure full standardisation of such requirements, both in terms of concepts and implementation (reporting schedules, revision policy, derogations, etc.) and may lead to a reduction of the set of country-specific requirements that will continue to apply under national law.

<filter: credit institutions / banking associations / service providers>

### 3.1 Approach to collecting information on loans to natural persons from credit institutions

The IReF baseline scenario presented in the CBA was developed in line with existing statistical requirements and foresaw granular collection of loans to legal entities for credit institutions, while loans to natural persons would be collected on an aggregated basis. To facilitate reporting, the CBA questionnaire introduced a joint representation of both granular and aggregated data within the same entity relationship model (ERM)<sup>19</sup> as a key feature of the IReF reporting scheme. The rationale for introducing this approach was to capture all loan requirements in a common structure.

While this remains the baseline scenario, an alternative approach has been suggested in the discussions on integrating country-specific requirements in the IReF. Specifically, loans to natural persons and related information could also be collected at a granular level but in an anonymised way and with a significantly reduced set of attributes. In principle, only those attributes that are required to compile derived statistics (e.g. BSI and MIR statistics) could be collected. Hence, the first question is whether loan information concerning natural persons can be collected at instrument level by including AnaCredit risk and accounting attributes only if they are needed for statistical compilation purposes.<sup>20</sup> As for protection information, only the protection allocated value would be required for MIR statistics. The possibility of collecting the protection allocated value is assessed separately in what follows.

As regards counterparty data, no personal data on the debtor would be collected; only the institutional sector (i.e. households or sole proprietors/partnerships without

<sup>19</sup> See [Annex 1](#) of the cost-benefit-assessment questionnaire for more details on the planned IReF entity relationship model structure.

<sup>20</sup> Depending on the results of the matching of costs and benefits, the carrying amounts, accounting classification and prudential portfolio of all instruments recognised on balance sheet could be collected at the level of granularity foreseen in IReF. In the baseline scenario the requirements would apply at aggregated level for loans to natural persons. If the new proposed scenario is favoured, they would instead apply at granular level.



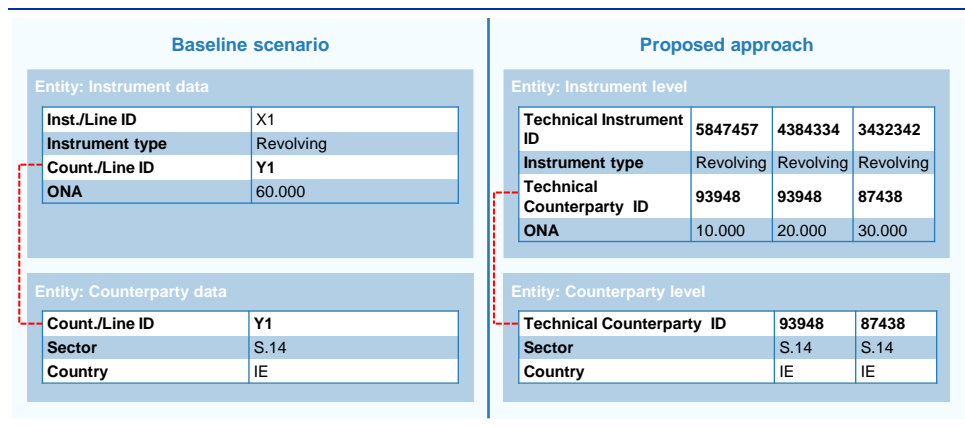
legal status) and the country of residence of the counterparty would be transmitted. This approach should guarantee that natural persons cannot be identified in any way. Reporting agents will be allowed to report a single technical identifier (ID) for a counterparty, which must not be aligned to that used by other reporting agents for the same counterparty, since consistent identification across reporting agents will not be required. In principle the ID does not even have to be the same for different reference dates for the same counterparty.

This alternative proposal would not imply reporting extensive additional content compared to an aggregated data collection, it would only affect how the data are reported.<sup>21</sup> The feasibility of the approach is still under assessment, not only in terms of costs and benefits, but especially from a data protection perspective. The complementary CBA therefore aims to collect the views of stakeholders as regards costs and benefits, while the future matching of costs and benefits will need to take into account data protection considerations.

Both approaches foresee similar modelling. As shown in a simplified example in **Figure 3.1**, the only difference is that rather than collecting information on an aggregated basis (as shown on the left-hand side), data on individual loans are collected by means of a technical instrument ID and a technical counterparty ID.

**Figure 3.1**

The relational structure in the IReF baseline scenario and the proposed approach (scenario 2)



**Figure 3.2** shows that the proposed approach would be closer to the way reporting agents store the information. The information remains granular, but identification of natural persons would be avoided.

<sup>21</sup> The costs and benefits of additional requirements for granular loans are assessed below, for example in Sections 3.2-3.4. Similarly, Section 6.1 assesses the possibility of collecting risk and accounting attributes for loans (and other instruments) to natural persons.

**Figure 3.2**

Data available to reporting agents versus data submitted under the proposed approach (scenario 2)

Reporting agents' IT systems				Proposed approach			
<b>Entity: Instrument</b>				<b>Entity: Instrument</b>			
Instrument ID	1	2	3	Technical Instrument ID	5847457	4384334	3432342
Instrument type	Revolving	Revolving	Revolving	Instrument type	Revolving	Revolving	Revolving
Counterparty ID	A	A	B	Technical Counterparty ID	93948	93948	87438
ONA	10.000	20.000	30.000	ONA	10.000	20.000	30.000
<b>Entity: Counterparty</b>				<b>Entity: Counterparty</b>			
Counterparty ID	A	B		Technical Counterparty ID	93948	87438	
Sector	S.14	S.14		Sector	S.14	S.14	
Country	IE	IE		Country	IE	IE	
Street	Main Street 2	Market street 5		Information remains granular but without the capability of identifying actual natural persons			
Name	Max Power	Homer Simpson					

The proposed approach is expected to imply many advantages. In the first place, reporting agents would not need to transform granular loan information required for aggregated data, like maturities. This would ensure consistency in derived data and save transformations by reporting agents. In addition, the collection of granular country-specific requirements on loans to natural persons such as those arising from CCRs would be much simpler, as in most cases these would be captured as complementary information, ideally without having to report the information twice – on an aggregated basis in IReF and granular for the national CCR.<sup>22</sup> Institutions in countries without a CCR may still benefit from reporting data that is specified at a level that better matches their internal systems. However, the approach may cause an increase in data volume. This is currently being analysed, and the results will be considered during the matching of costs and benefits.

The following scenarios are considered in this questionnaire. Small institutions should bear in mind that proportionality measures will apply. Some of the derogation schemes being investigated foresee simplified collection of granular data, while in others no granular collection would apply to derogated institutions independently from the general approach. The possible collection at a granular level of data on loans to natural persons may have consequences for the assessment of costs and benefits of all the other topics considered in Sections 3.2-3.11. For this reason, where relevant, the inclusion of common country-specific requirements in the IReF

<sup>22</sup> In a scenario where country-specific requirements are collected through country-specific complementary tables, an aggregated data collection of loans to natural persons would imply double reporting. However, with a granular data collection, no double reporting would apply in principle. In fact, the complex decision on which scenario to adopt for the integration of country-specific requirements in the IReF (through additional, country-specific tables or via country-specific collection layers that would be integrating common and country-specific requirements) would lose importance under this new proposal. For a detailed description of two scenarios for technical integration of country-specific requirements, see Section 6.2 of the [Cost-benefit assessment questionnaire on the Integrated Reporting Framework for the banking industry](#). It should also be clarified that different reporting schedules in the country-specific collection frameworks compared to IReF may nevertheless lead to cases of double reporting. The ESCB will assess these cases with the aim of avoiding double reporting to the greatest extent possible.

will be assessed for both aggregated and granular data collection on loans to natural persons (e.g. Sections 3.2 and 3.3).

**Scenario 1 (baseline):** Data on loans to natural persons would be collected on an aggregated basis.

**Scenario 2:** Data on loans to natural persons would be collected on a granular level, covering only attributes currently required for derived statistics<sup>23</sup> and without transmitting any personal information on the debtor.

Respondents are kindly invited to assess the costs and benefits of scenario 2 compared with the baseline.

**Question 3.1**

Please provide an assessment of the **implementation costs** of scenario 2 compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.2**

Please provide an assessment of the **regular costs** of scenario 2 compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.3**

Please provide an assessment of the **benefits** of scenario 2 compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The questionnaire also considers the possibility of extending granular requirements on loans to natural persons beyond those attributes required to compile derived statistics (e.g. BSI and MIR statistics). Comparison of country-specific requirements across countries has highlighted that several NCBs are collecting the following information on loans to natural persons. These attributes are currently already collected for loans to legal entities.

<sup>23</sup> As a reference, respondents may consider the attributes that apply to loans to natural persons in the [draft IReF reporting scheme](#) that was published in 2020 with the CBA.

- **Instrument information.** The attributes refer to accounting information and cover the performing status, the date of past due, the cumulative recoveries since default and the status of legal proceedings.
- **Protection information.** The attributes refer to the type of protection, the protection value and the protection allocated value.

The following scenario refers to the collection of these attributes for loans to natural persons, assuming granular data collection.

**Proposed scenario:** Assuming granular collection of data on loans to natural persons, collect additional anonymous information on the instrument and the protection.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario, bearing in mind the simplification it would imply for country-specific reporting requirements.

### Question 3.4

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Instrument information</b>						
Performing status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date of past due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumulative recoveries since default	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Status of legal proceedings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Protection information</b>						
Type of protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection allocated value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.5

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Instrument information</b>						
Performing status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date of past due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumulative recoveries since default	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Status of legal proceedings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Protection information</b>						
Type of protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection allocated value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.6

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Instrument information</b>						
Performing status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date of past due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumulative recoveries since default	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Status of legal proceedings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Protection information</b>						
Type of protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection allocated value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: other deposit-taking corporations>

## 3.1 Approach to collecting information on loans from deposit-taking corporations other than credit institutions

The IReF baseline scenario in the CBA for other deposit-taking corporations was developed in line with existing statistical requirements and foresaw aggregated collection on loans to legal entities and natural persons.

While this remains the baseline, an evolution of the original idea has been suggested in the discussions on integrating country-specific requirements in the IReF. Specifically, information on loans could also be collected from other deposit-taking corporations at a granular level, but with a significantly reduced set of attributes. In principle, only those attributes that are required to compile derived statistics (for example, BSI and MIR statistics) could be collected. Hence, the first step is to assess whether loan information about legal entities and natural persons can be collected at instrument level by including risk and accounting attributes of AnaCredit only if they are needed for statistical compilation.<sup>24</sup> As for protection information, only the protection allocated value would be required for the MIR statistics. The possibility of collecting the protection allocated value is assessed separately below.

As regards counterparty data, no individual data on the debtor would be collected; only the institutional sector (for example, non-financial corporations, households or sole proprietors/partnerships without legal status) and the country of residence of the counterparty would be transmitted. This approach will in principle guarantee that natural persons cannot be identified in any way. Reporting agents will be allowed to report a single technical identifier (ID) for a counterparty, which must not be aligned

<sup>24</sup> Depending on the results of the matching of costs and benefits, the carrying amounts of all instruments recognised on balance sheet could be collected at the level of granularity foreseen in IReF. In the baseline scenario the requirements would apply at aggregated level for loans to natural persons. If the new proposed scenario is favoured, they would instead apply at granular level.

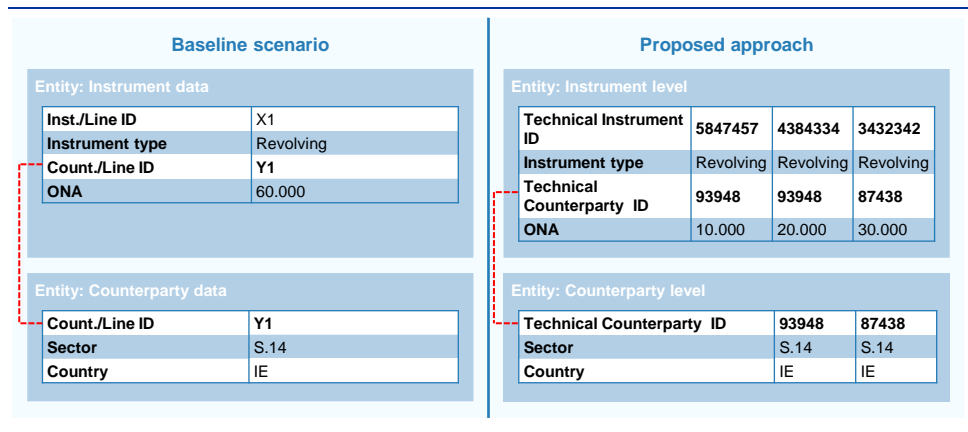
to that used by other banks for the same counterparty, since consistent identification across reporting agents will not be required. In principle, the ID does not even have to be the same for different reference dates for the same counterparty.

This alternative proposal would not imply reporting extensive additional content compared to an aggregated data collection, it would only affect how the data are reported.<sup>25</sup> The feasibility of the approach is still under assessment, not only in terms of costs and benefits, but also from a data protection perspective. The complementary CBA therefore aims to collect the views of stakeholders as regards costs and benefits, while the future matching of costs and benefits will need to take into account data protection considerations.

Both approaches foresee similar modelling. As shown in a simplified example in **Figure 3.1**, the only difference is that rather than collecting information on an aggregated basis (as shown on the left-hand side), data on the individual loans are collected by means of a technical instrument ID and a technical counterparty ID.

**Figure 3.1**

The relational structure in the IReF baseline scenario and the proposed approach (scenario 2)



**Figure 3.2** shows that the proposed approach would be closer to the way reporting agents store the information. The information remains granular, but identification of debtors would be avoided.

<sup>25</sup> The costs and benefits of additional requirements regarding granular loans are assessed below, for example in Sections 3.2-3.4.

**Figure 3.2**

Data available to reporting agents versus data submitted under the proposed approach (scenario 2)

Reporting agents' IT systems				Proposed approach			
<b>Entity: Instrument</b>				<b>Entity: Instrument</b>			
Instrument ID	1	2	3	Technical Instrument ID	5847457	4384334	3432342
Instrument type	Revolving	Revolving	Revolving	Instrument type	Revolving	Revolving	Revolving
Counterparty ID	A	A	B	Technical Counterparty ID	93948	93948	87438
ONA	10.000	20.000	30.000	ONA	10.000	20.000	30.000
<b>Entity: Counterparty</b>				<b>Entity: Counterparty</b>			
Counterparty ID	A	B		Technical Counterparty ID	93948	87438	
Sector	S.14	S.14		Sector	S.14	S.14	
Country	IE	IE		Country	IE	IE	
Street	Main Street 2	Market street 5		Information remains granular but without the capability of identifying actual natural persons			
Name	Max Power	Homer Simpson					

The proposed approach is expected to imply many advantages. In the first place, reporting agents would not need to transform granular loan information that are required for aggregated data, like maturities. This would ensure consistency in derived data and save transformations by reporting agents. Also, the collection of granular information on country-specific requirements on loans to legal entities and natural persons such as those arising from CCRs would be much simpler, as in most cases these would be captured as complementary information, ideally without having to report the information twice – on an aggregated basis in IReF and granular for the national CCR.<sup>26</sup> Institutions in countries without a CCR may still benefit from reporting data specified at a level that better matches their internal systems. However, the approach may cause an increase in data volume. This is currently being analysed and the results will be considered during the matching of costs and benefits.

The following scenarios are considered in this questionnaire. Small institutions should bear in mind that proportionality measures will apply. Some of the derogation schemes being investigated foresee simplified collection of granular data, while in others no granular data collection would apply to derogated institutions independently from the general approach. The possible collection of data on loans to natural persons and legal entities at granular level may have consequences for the assessment of costs and benefits of all other topics considered in Sections 3.2-3.11.

<sup>26</sup> In a scenario where country-specific requirements are collected through country-specific complementary tables, collection of aggregated data on loans to natural persons would imply double reporting. However, with a granular data collection, no double reporting would apply in principle. In fact, the complex decision on which scenario to adopt for the integration of country-specific requirements in the IReF (through additional, country-specific tables or via country-specific collection layers that would integrate common and country-specific requirements) would lose importance under this new proposal. For a detailed description of two scenarios for technical integration of country-specific requirements, see Section 6.2 of the [cost-benefit assessment questionnaire on the Integrated Reporting Framework for the banking industry](#). It should also be clarified that different reporting schedules in the country-specific collection frameworks compared with those in the IReF may nevertheless lead to cases of double reporting. The ESCB will assess these cases in order to avoid double reporting to the greatest extent possible.

For this reason, where relevant, the inclusion of common country-specific requirements in the IReF will be assessed both for aggregated and granular data collection on loans to natural persons and legal entities (for example, Sections 3.2 and 3.3).

**Scenario 1 (baseline):** Data on loans to legal entities and natural persons would be collected on an aggregated basis.

**Scenario 2:** Data on loans would be collected on a granular level, covering only attributes currently required for derived statistics<sup>27</sup> and without transmitting any information that would allow the debtor to be identified.

Respondents are kindly invited to assess the costs and benefits of scenario 2 compared with the baseline.

### Question 3.1

Please provide an assessment of the **implementation costs** of scenario 2 compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.2

Please provide an assessment of the **regular costs** of scenario 2 compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.3

Please provide an assessment of the **benefits** of scenario 2 compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The questionnaire also considers the possible extension of granular requirements on loans to natural persons and legal entities beyond the attributes that are required for the compilation of derived statistics (for example, BSI and MIR statistics). In fact, the comparison of country-specific requirements across countries has highlighted that several NCBs are collecting the following information on granular loans.

<sup>27</sup> As a reference, respondents may consider the attributes that apply to loans for other deposit-taking corporations in the [draft IReF reporting scheme](#) that was published in 2020 with the CBA.



- **Instrument information.** The attributes refer to accounting information and cover the performing status, the date of past due, the cumulative recoveries since default and the status of legal proceedings.
- **Protection information.** The attributes refer to the type of protection, the protection value and the protection allocated value.

The following scenario refers to the collection of these attributes for loans to legal entities and natural persons, assuming granular data collection.

**Proposed scenario:** Assuming granular data collection on loans, collect additional (anonymous) information on the instrument and the protection.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario, bearing in mind the simplification it would imply for reporting country-specific requirements.

### Question 3.4

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Instrument information</b>						
Performing status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date of past due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumulative recoveries since default	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Status of legal proceedings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Protection information</b>						
Type of protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection allocated value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.5

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Instrument information</b>						
Performing status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date of past due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumulative recoveries since default	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Status of legal proceedings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Protection information</b>						
Type of protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection allocated value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.6

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Instrument information</b>						
Performing status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Date of past due	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cumulative recoveries since default	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Status of legal proceedings	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Protection information</b>						
Type of protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection allocated value	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 3.2 More granular description of real estate loans

In 2016 the ESRB issued Recommendation ESRB/2016/14 on closing real estate data gaps, with the aim of monitoring real estate-related risk for macroprudential purposes. The recommendation establishes criteria for identifying commercial real estate (CRE) loans to legal entities<sup>28</sup> and residential real estate (RRE) loans to natural persons<sup>29</sup> and a set of indicators relevant for the macroprudential stability of the real estate market.

The ESRB Recommendation underlines that AnaCredit only allows for an approximation of CRE loans,<sup>30</sup> recognising that there are significant data gaps between its own requirements and those of AnaCredit.

Currently the ESRB Recommendation has been implemented differently by each euro area country, with heterogeneous approaches as regards, for example, the level of granularity, the modelling approach and the actual definitions used.<sup>31</sup> The IReF offers a unique opportunity to standardise implementation of the ESRB Recommendation and significant benefits for all stakeholders may be expected.

<sup>28</sup> “Commercial real estate (CRE) loan” means a loan extended to a legal entity aimed at acquiring income-producing real estate (or set of properties defined as income-producing real estate), either existing or under development, or real estate used by the owners of the property for conducting their business, purpose or activity (or set of such properties), either existing or under construction, or secured by a commercial real estate property (or set of commercial real estate properties).

<sup>29</sup> “Residential real estate (RRE) loan” means a loan to a natural person secured by a residential real estate property, independent of the purpose of the loan.

<sup>30</sup> Commercial immovable property is considered to be a broader category than CRE, encompassing any immovable property that is not a residential property within the meaning of Article 4(1) (75) of the CRR.

<sup>31</sup> See the ESRB [Summary compliance report](#) from June 2021.

With granular collection of data on all loans, it will be necessary to define a set of new attributes in the IReF reporting scheme to identify CRE and RRE loans where these are not yet available. RRE loans are identified based on information on the counterparty and protection. For CRE loans this is based on the counterparty, the protection and the purpose of the loan. Given that multiple loans may finance or be secured by one property, and a single loan may finance or be secured by many properties, it is envisaged to include real estate information in a separate table of the IReF reporting scheme and link it to the tables referring to the loan and protection information. The intention is to avoid unnecessary redundancies in the reporting. Requirements stemming from ESRB recommendations can be organised into three main categories.

**Real estate information** – relating to real estate protections on CRE and RRE loans and real estate acquired with a CRE loan:

- **Real estate classification according to the ESRB.** This distinguishes between RRE and CRE.<sup>32</sup>
- **Aim of real estate.** This is meant to clarify the primary aim of the property, for example letting to tenants or for own private use. Aims include buy-to-let, owner occupied, rental housing, social housing and multi-purpose.<sup>33</sup>
- **Type of real estate.** This aims at further categorising properties into commercial (for example offices, retail, industrial and other) and residential (house, apartment, etc.)<sup>34</sup> and possibly may also cover selected country-specific requirements (for example parking, land).

**Instrument information** – relating to ratios and indicators/classifications applicable at instrument level:

- **Loan-to-value ratio** at origination (LTV-O)<sup>35</sup> and currently (LTV-C).<sup>36</sup>
- **Loan-to-income ratio** at origination (LTI-O).<sup>37</sup>
- **Loan-service-to-income ratio** at origination (LSTI-O).<sup>38</sup>
- **Type of amortisation according to ESRB**, i.e. loans that are fully amortising,<sup>39</sup> partially amortising,<sup>40</sup> or non-amortising.<sup>41</sup>

<sup>32</sup> See Section 2(1)(1) points (38) and (4) of ESRB/2016/14 as amended for a definition. Please also note that the ESRB classifies such categories differently from the CRR.

<sup>33</sup> See Section 2(1)(1) points (3), (32) and (36a) of ESRB/2016/14 as amended for a definition.

<sup>34</sup> Annex V, para. 3, of ESRB/2016/14.

<sup>35</sup> See Annex IV, 1.1-6 of ESRB/2016/14.

<sup>36</sup> See Annex IV, 2.1-4 of ESRB/2016/14.

<sup>37</sup> See Annex IV, 3.1-5 of ESRB/2016/14.

<sup>38</sup> See Annex IV, 5.1-4 of ESRB/2016/14.

<sup>39</sup> See Section 2(1)(1) point (16) of ESRB/2016/14.

<sup>40</sup> See Section 2(1)(1) point (33) of ESRB/2016/14.

<sup>41</sup> See Section 2(1)(1) point (29) of ESRB/2016/14.

- **Loan purposes related to real estate properties**, e.g. to acquire, build or renovate a real estate property.

**Counterparty information** – relating to ratios and indicators applicable at counterparty level (only applicable to RRE loans, meaning that it should refer to the artificial identifier of counterparties that are natural persons).

- **Debt-to-income ratio** at origination (DTI-O).<sup>42</sup>
- **Debt service-to-income ratio** at origination (DSTI-O).<sup>43</sup>
- **First time buyer indicator**.<sup>44</sup>

Assuming granular data collection of all loans, the IReF scheme would encompass new attributes and possibly new tables to cover the elements underlying the requirements relating to real estate, instrument and counterparty information. A second scenario may be considered if loan information is collected on an aggregated basis for loans to natural persons by credit institutions, and loans to both legal entities and natural persons by deposit-taking corporations other than credit institutions. In this case, new attributes would be included in the data collection for aggregated loan requirements, resulting into a much higher level of detail. The two scenarios should not be interpreted as alternatives; whether or not they are applied depends on the underlying way loan data are collected.

**Scenario 1:** *Assuming granular data collection on all loans*, the IReF scheme would encompass new information to cover the elements underlying the requirements arising from the ESRB Recommendations.

**Scenario 2:** *Assuming the baseline scenario* (i.e. aggregated collection for loans to natural persons from credit institutions and all loans for other deposit-taking corporations), the IReF scheme would encompass new information to cover the elements underlying the requirements arising from the ESRB Recommendations.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario.

#### <filter: credit institutions / banking associations / service providers>

Credit institutions shall perform the assessment, distinguishing between the impact on loans to legal entities arising from CRE requirements and on loans to natural persons arising from RRE requirements. Respondents are invited to keep in mind that if requirements are not captured in the IReF Regulation, they are likely to continue to exist as country-specific requirements, thus potentially hampering the benefits of integration. Scenario 2 is obviously not assessed for loans to legal entities. As regards loans to natural persons, under scenario 1 the assessment

<sup>42</sup> See Annex IV, 4.1-3 of ESRB/2016/14.

<sup>43</sup> See Annex IV, 6.1-4 of ESRB/2016/14.

<sup>44</sup> See Section 2(1)(1) point (14) of ESRB/2016/14.

should be provided assuming granular data collection, in line with the proposal under Section 3.1.

### Question 3.7

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Loans to legal entities</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Loans to natural persons</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 2: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.8

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Loans to legal entities</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Loans to natural persons</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 2: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.9

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Loans to legal entities</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Loans to natural persons</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 1: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### <filter: other deposit-taking corporations>

Deposit-taking corporations other than credit institutions shall perform the assessment, distinguishing between the impact on loans to legal entities arising from CRE requirements and on loans to natural persons arising from RRE requirements. Respondents are invited to keep in mind that if the requirements are not captured in the IReF Regulation, they will likely continue to exist as country-specific requirements, thus potentially hampering the benefits of integration. Under scenario 1, the assessment should be provided assuming granular data collection, in line with the proposal under Section 3.1.

### Question 3.7

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Loans to legal entities</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 2: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Loans to natural persons</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 2: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.8

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Loans to legal entities</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 2: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Loans to natural persons</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 2: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.9

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Loans to legal entities</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 2: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Loans to natural persons</b>						
Scenario 1: Granular data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 2: Aggregated data collection						
Real estate information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instrument information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Counterparty information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 3.3 Additional level of detail on loan purpose

Reporting agents currently have to report the purpose of a loan (BSI, MIR, AnaCredit). However, several countries collect more detailed information on the purpose for which a loan is granted. For instance, data on consumer loans may include information on whether they relate to the purchase of durable goods such as cars or other types of vehicle; data on other loans may indicate whether they are for specific social or environmental purposes (e.g. student loans or energy efficiency), imports and exports or investments in ships and aircraft. Country-specific requirements also include data on real estate loans; however these relate to the loan purposes assessed in Section 3.2 and are therefore not considered here.

In the general spirit of integrating common country-specific requirements, it is proposed to assess the costs and benefits of collecting more detailed information on loan purposes through the IReF. No complete list is provided in this section, as this is conditional on other topics also being tested in the complementary CBA, but respondents are invited to use the examples above as a reference.



**Proposed scenario:** The IReF reporting scheme would include more detailed information on loan purposes (for example purchase of durable goods, social and environmental scopes, trade and investment).

**<filter: credit institutions / banking associations / service providers>**

Respondents are kindly invited to assess the costs and benefits of the proposed scenario. A distinction is made between granular and aggregated requirements in order to be able to assess costs and benefits independently from the approach to the data collection on loans to natural persons.

**<filter: other deposit-taking corporations>**

Respondents are kindly invited to assess the costs and benefits of the proposed scenario. A distinction is made between granular and aggregated requirements so as to be able to assess costs and benefits for both aggregated and granular data collection on loans.

**<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>**

**Question 3.10**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.11**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.12

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 3.4 Reporting the type of origination and termination of loans

The CBA did not assess the collection of information related to the origination and termination of loans. However, several countries collect this information so they can track how a reported loan originated and disappeared from the balance sheet of a reporting entity. For example, for loan origination, NCBs collect information on whether the loan was transferred/purchased from a third party or originated through a loan contract with a client. Similarly, for loan termination, they collect information on whether a loan was fully repaid, transferred or written off. In some cases, such as when an obligation is refinanced with the same or a different creditor, reporting agents are required to report both the termination and origination type attributes.

Although the exact modelling of the two attributes in the reporting scheme will be decided at a later stage, some basic principles apply. Origination is a static attribute and could be collected directly in the instrument table in each period; termination would be reported on occurrence<sup>45</sup>.

**Proposed scenario:** The IReF reporting scheme would include information on the type of origination of the loan obligations (for example new loan contract, loan transfer/purchase from a third party, such as traditional securitisation, or other transfer) and its termination (for example full redemption, loan transfer/sale or write-off).

The questions below are intended to assess the implementation costs and regular costs of transmitting the proposed information as well as the associated benefits (e.g. discontinuing existing country-specific requirements, avoiding *ad hoc* questions in the context of data quality management activities).

<sup>45</sup> Loans originated and terminated within the same reference period would not be covered in the reporting.

<filter: credit institutions / banking associations / service providers>

Credit institutions are kindly invited to assess the costs and benefits of collecting the information for loans, bearing in mind that the additional information needed would apply to loans to natural persons only in the event of granular data collection.

<filter: other deposit-taking corporations>

Deposit-taking corporations other than credit institutions are kindly invited to assess the costs and benefits of collecting the additional information needed for loan data, bearing in mind that the attributes would only apply in the event of granular data collection.

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

**Question 3.13**

Please provide an assessment of the **implementation costs** of the proposed.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Loan origination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loan termination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.14**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Loan origination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loan termination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.15**

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Loan origination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Loan termination	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

### 3.5 Standardised non-negotiable instruments classified as loans or deposits

Financial instruments can be negotiable or non-negotiable. In particular, according to the European System of Accounts (ESA) 2010<sup>46</sup>, “a [financial] claim is negotiable if its ownership is readily capable of being transferred from one unit to another by delivery or endorsement or of being offset in the case financial derivatives.” The necessary conditions of negotiability for securities are:

- transferability;
- standardisation (often evidenced by fungibility and eligibility for an ISIN code);
- that the holder of an asset does not retain the right of recourse against the previous holders.

In statistical terms instruments are classified as securities only when they fulfil these conditions.<sup>47</sup> However, in financial markets various non-negotiable instruments may still be referred to as securities (for example, non-negotiable savings certificates), even though from a statistical perspective they should be classified as loans or deposits.

The baseline scenario does not include information that makes it possible to identify specific types of non-negotiable instruments referred to as securities within the statistical categories of loans or deposits. Nevertheless, several countries collect this information for financial stability purposes. The following scenario is under consideration with the aim of integrating common country-specific requirements into the IReF reporting scheme.

**Proposed scenario:** The IReF reporting scheme would include information on whether a financial instrument classified in loans or deposits is a non-negotiable instrument referred to as a security.

When assessing the proposed scenario, respondents should bear in mind that for granular data the proposal would imply reporting an additional attribute, while for aggregated data (for example, deposits) this would entail an additional level of detail. Respondents are kindly invited to assess the implementation costs and the regular costs of transmitting the proposed variable, as well as the associated benefits (for example, discontinuing existing country-specific requirements in different countries).

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<sup>46</sup> European System of Accounts (ESA2010); Regulation (EU) No 549/2013 of the European Parliament and of the council of 21 May 2013 on the European system of national and regional accounts in the European Union (OJ L 174, 26.6.2013, p. 1); “Balance of Payments and International Investment Position Manual”, Sixth Edition (BPM6), International Monetary Fund, Washington, D.C., 2009.

<sup>47</sup> The definition of loans used in the EBA ITS is fully aligned with the statistical definition.

**<filter: credit institutions / banking associations / service providers>**

In the assessment a distinction is made between granular and aggregated requirements in order to be able to assess costs and benefits independently from the approach to the collection on loans to natural persons, bearing in mind that data on deposits will in general be collected aggregated.<sup>48</sup>

**<filter: other deposit-taking corporations>**

In the assessment a distinction is made between granular and aggregated requirements in order to be able to assess costs and benefits independently from the approach to the collection on loans, bearing in mind that data on deposits will in general be collected aggregated.<sup>49</sup>

**<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>**

**Question 3.16**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.17**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>48</sup> As an exception, the requirements will apply at the granular level for positions relating to intragroup and foreign direct investment relationships, should the matching of costs and benefits of the complementary CBA results identify such an approach to be the preferred scenario; see also Section 3.7.

<sup>49</sup> As an exception, the requirements will apply at the granular level for positions relating to intragroup and foreign direct investment relationships, should the matching of costs and benefits of the complementary CBA results identify such an approach to be the preferred scenario; see also Section 3.7.

### Question 3.18

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 3.6 Additional information on deposits (liabilities)

The cross-country comparison showed that several countries are currently collecting information on the residual maturity of deposits and the statistical classification of economic activity of the deposit counterparties according to NACE.<sup>50</sup> The new requirements would provide important insights into the composition of the liability side of the balance sheet and would generally apply on an aggregated basis.<sup>51</sup> The two concepts are already available in the [draft IReF reporting scheme](#) that accompanied the CBA. However, these information categories were not included in the baseline scenario for the instrument category of deposits (liabilities).

**Proposal:** For deposits (liabilities), the IReF reporting scheme would include information on residual maturity (all creditors) and the statistical classification of economic activity (legal entities) of creditors.

Respondents are kindly invited to assess the costs and benefits of reporting for the additional information, bearing in mind that they would imply an additional level of detail for requirements on deposits. Nevertheless, the approach would much facilitate reporting of country-specific requirements.

<sup>50</sup> As defined in [Regulation \(EC\) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation \(EEC\) No 3037/90 as well as certain EC Regulations on specific statistical domains](#) (OJ L 393, 30.12.2006, p. 1). In line with AnaCredit, in the baseline scenario IReF would collect level two, three or four NACE code, as available.

<sup>51</sup> As an exception, the requirements will apply at the granular level for positions relating to intragroup and foreign direct investment relationships, should the matching of costs and benefits of the complementary CBA results identify such an approach to be the preferred scenario; see also Section 3.7.

### Question 3.19

Please provide an assessment of the **implementation costs** of the attributes.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Residual maturity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statistical classification of economic activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.20

Please provide an assessment of the **regular costs** of the attributes.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Residual maturity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statistical classification of economic activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.21

Please provide an assessment of the **benefits** of the attributes.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Residual maturity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Statistical classification of economic activity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 3.7 Type of control of counterparties

In line with the AnaCredit Regulation<sup>52</sup>, the current **draft IReF reporting scheme** does not cover information on the type of control of counterparties – i.e. whether they are controlled by national units in the government or private sector (national public or private control respectively), or by non-resident institutional units (foreign control). Nevertheless, these requirements are collected in several countries in line with the requirements laid down by ESA 2010 and BPM6. Hence it is proposed to cover the information in the IReF Regulation. The information would be provided with reference to the ultimate controlling parent. For requirements collected at granular level, the information would be collected by identifying the type of control at the level of the counterparty; for aggregated requirements, it would be captured by introducing an additional level of detail in the data model.

**Proposed scenario:** The IReF reporting scheme would include information on the type of ultimate controlling parent of counterparties (i.e. national public control, national private control or foreign control).

Respondents are kindly invited to assess the implementation costs and regular costs of transmitting the proposed information, as well as the associated benefits (e.g.

<sup>52</sup> Regulation (EU) 2016/867 of the European Central Bank of 18 May 2016 on the collection of granular credit data and credit risk data (ECB/2016/13) (OJ L 144, 1.6.2016, p. 44).

discontinuing existing country-specific requirements), distinguishing between requirements collected at granular and aggregated level.

### Question 3.22

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.23

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.24

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 3.8 Reporting of relationship information

NCBs currently collect the information necessary to compile statistics on foreign direct investment (FDI) using non-standardised national solutions such as surveys. Although the existing solutions have been developed in alignment with international standards (BPM6) and the respective ECB data requirements,<sup>53</sup> implementation

<sup>53</sup> Guideline of the European Central Bank on the statistical reporting requirements of the European Central Bank in the field of external statistics (recast) (ECB/2011/23) (OJ L 65, 3.3.2012, p. 1).



varies considerably across euro area countries. The CBA assessed the costs and benefits of defining a common approach to collecting and compiling outstanding amounts and transactions relating to FDI that would be applicable throughout the euro area. The approach would rely on matching granular instrument data with relationship information available in the Registry of Institutions and Affiliates Database (RIAD). The CBA results showed overall support for the proposed approach, although its feasibility crucially depends on the quality of the relationship information.<sup>54</sup>

Comparison of country-specific requirements showed that several NCBs collect relationship information relevant for FDI statistics from reporting agents. It can therefore be argued that including the information in the IReF Regulation would enable a common approach to FDI compilation for banks in the euro area to be promoted. Existing national collections (e.g. national FDI annual surveys) would be dropped after a transition period, once the quality of the information is considered sufficient.

The cross-country comparison also showed that several countries currently collect relationship information relating to accounting and/or prudential consolidation requirements. These two sets (called Class 1 and 2) are depicted in **Table 3.1**. The requirements for both classes partially overlap and are therefore not mutually exclusive. Nevertheless, should the requirements be included in the IReF Regulation the overlaps will be resolved when modelling the requirements.

**Table 3.1**  
Country-specific requirements on relationship information

Class 1: Relationships related to FDI	Class 2: Relationships related to the accounting and prudential scope of consolidation
Direct investment <sup>55</sup>	Joint venture
Direct investor <sup>56</sup>	Associate
Fellow enterprise <sup>57</sup>	Other entity in the group (CRR consolidated)
Unrelated	Other entity in the group (not CRR consolidated)
	Unrelated

Work is currently under way on Class 2 requirements to investigate the extent to which collecting the harmonised national identifiers introduced in the current ITS update<sup>58</sup> (with or without the LEI code) would allow this information to be derived. Depending on national implementation, the group information in FINREP and

<sup>54</sup> See section 3.2 of the [Cost-benefit assessment on the Integrated Reporting Framework: Content-related topics and technical aspects](#).

<sup>55</sup> Foreign direct investments. i.e. entities in which they hold (directly or indirectly) at least 10% of the capital or votes.

<sup>56</sup> Foreign direct investors, i.e. entities which hold (directly or indirectly) at least 10% of the capital or votes of the bank.

<sup>57</sup> Enterprises that have no direct investment influence upon one another (i.e. the 10% of votes criterion is not met) but are directly or indirectly influenced in the ownership hierarchy by the same enterprise (which must be a direct investor in at least one of them).

<sup>58</sup> Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (OJ L 97, 19.3.2021, p. 1).

COREP could potentially be a viable source for RIAD and would make collection under IReF redundant. Should this be the case, the requirements will not be considered for the IReF Regulation.

**Proposed scenario:** The IReF reporting scheme would include information on relationships with counterparties related to FDI (Class 1 in [Table 3.1](#)) and the accounting/prudential scope of consolidation (Class 2 in [Table 3.1](#)).

Respondents are kindly invited to assess the costs of transmitting the proposed information, as well as the associated benefits (e.g. discontinuing existing country-specific requirements).

### Question 3.25

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Class 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.26

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Class 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.27

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Class 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Class 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 3.9 Direct investment income from equity

To compile balance of payments data, several NCBs collect the information from banks needed to derive direct investment income (DII) on equity, or direct investment earnings. This is the return a direct investor receives on the equity component of a direct investment position, and consists of two parts: one relating to distributed

dividends and one relating to reinvested earnings. Distributed dividends consist of dividends and distributed branch profits. Reinvested earnings consist of the retained earnings of a direct foreign investment enterprise. For the purposes of compiling the balance of payments, these are treated as if they were distributed and remitted to foreign direct investors in proportion to their ownership of the equity of the enterprise and then reinvested by them in the enterprise.<sup>59</sup> This component is a statistical imputation, not a real payment, and therefore needs additional information to be calculated properly. Reinvested earnings are generally calculated as the difference between DII on equity and distributed dividends.

Following the recommendation in the [OECD benchmark definition of foreign direct investment](#), NCBs typically estimate DII on the basis of the Current Operating Performance Concept (COPC).<sup>60</sup> As direct investment earnings measure earnings from current operations, the COPC includes ordinary profits and excludes realised (and unrealised) gains due to asset purchases and sales as well as the loan provisions that are set by law. [Table 3.2.](#) describes how to derive COPC from the financial statements.

For the purposes of calculating DII on equity payable, the complementary CBA seeks to assess whether reporting agents may report the components presented in [Table 3.2.](#) In addition, the receivable share of profits (DII) of foreign affiliates that are not distributed would be collected at the level of counterparties that qualify as a *Foreign Direct Investment* relation (>10% voting rights). This will allow for the compilation of reinvested earnings receivable by country and the identification of the item e) in [Table 3.2.](#)

In addition, as described above, reinvested earnings are derived by subtracting distributed dividends from the DII on equity. Dividends are currently covered in the IReF baseline scenario for holdings of unlisted and non-ISIN equity securities, but not for other equity.<sup>61</sup> It is proposed to collect this information as part of IReF, so as to close this gap and support the compilation of balance of payments data.

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<sup>59</sup> See paragraphs 8.15 and 11.34 of [BPM6](#).

<sup>60</sup> According to "[Foreign Direct Investment Statistics: How Countries Measure FDI](#)", IMF/OECD, Washington, D.C., 2003, Appendix II, Foreign Direct Investment Terms and Definitions, the concepts are explained in IAS 8. The alternative to COPC is the "All-Inclusive Concept". When earnings are measured on the basis of this concept, income is considered to be the amount remaining after deduction of all items (including write-offs and capital gains and losses and excluding dividends and any other transactions between the enterprise and its shareholders or investors) causing any increase or decrease in the shareholders' or investors' interests during the accounting period.

<sup>61</sup> For ISIN equity securities the information would not be collected and would be sourced from the ESCB Centralised Securities Database for compilation purposes.

**Table 3.2**

**OECD methodology for estimating DII from profit and loss information**

		<b>BD4 methodology</b>	<b>Bridging with IAS/IFRS, in alignment with the EBA ITS</b>
a)		Ordinary profit <sup>62</sup>	Profit or loss for the year
b)	+	Provisions for losses on long-term contracts (i.e., original maturity above one year)	Provisions for commitments and guarantees given <sup>63</sup> Impairment or (-) reversal of impairment on financial assets not measured at fair value through profit or loss <sup>64</sup> Impairment or (-) reversal of impairment of investments in subsidiaries, joint ventures and associates <sup>65</sup> Impairment or (-) reversal of impairment on non-financial assets <sup>66</sup>
c)	-	Realised gains or losses made by the enterprise from the disposal of assets and liabilities	Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net <sup>67</sup> Gains or (-) losses on financial assets and liabilities held for trading, net <sup>68</sup> Gains or (-) losses on non-trading financial assets mandatorily at fair value through profit or loss, net <sup>69</sup> Gains or (-) losses on financial assets and liabilities designated at fair value through profit or loss, net <sup>70</sup> Gains or (-) losses from hedge accounting, net <sup>71</sup> Gains or (-) losses on derecognition of non-financial assets, net <sup>72</sup>
d)	-	Gains or losses arising from valuation changes: write-ups, unrealised gains or losses from the revaluation of fixed assets, investments and liabilities	Modification gains or (-) losses, net <sup>73</sup>
e)	+	Receivable share of profits (DII) of foreign affiliates that are not distributed <sup>74</sup>	
=		DII on equity (COPC)	

Notes: Item e) should be calculated as share of investment in the foreign affiliate times its DII on equity minus dividends/branch profits received.

To sum up, it is proposed to collect the following information as part of IReF:

- **Ordinary profit** of the reporting agent;
- **Provisions** for losses on long-term contracts;
- **Realised gains or losses** made by the enterprise from the disposal of assets and liabilities;

<sup>62</sup> Ordinary profit should exclude all extraordinary and exceptional expenses or income, while these are included in the accounting profit or loss presented according to IAS/IFRS, see also IAS 1.81A(a).

<sup>63</sup> IFRS 9.4.2.1(c), (d), 9.B2.5; IAS 37, IFRS 4, Annex V. Part 2.50.

<sup>64</sup> IFRS 7.20(a)(viii); IFRS 9.5.4.4; Annex V. Part 2.51, 53.

<sup>65</sup> IAS 28.40-43.

<sup>66</sup> IAS 36.126(a)(b).

<sup>67</sup> Gains or (-) losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net.

<sup>68</sup> IFRS 7.20(a)(i); IFRS 9.5.7.1; Annex V. Part 2.43, 46.

<sup>69</sup> IFRS 7.20(a)(i); IFRS 9.5.7.1; Annex V. Part 2.46.

<sup>70</sup> IFRS 7.20(a)(i); IFRS 9.5.7.1; Annex V. Part 2.44.

<sup>71</sup> Annex V. Part 2.47.

<sup>72</sup> IAS 1.34; Annex V. Part 2.48.

<sup>73</sup> IFRS 9.5.4.3, IFRS 9 Appendix A; Annex V Part 2.49.

<sup>74</sup> Share of undistributed profits (DII) of foreign affiliates that are in a FDI relation with the direct investor in the reporting bank.

- **Gains or losses arising from valuation changes;**
- **Reinvested earnings receivable from all foreign affiliates**, collected at the level of counterparties that belong to the chain of ownership of a FDI relation (i.e. not only immediate affiliates, but all entities in the FDI chain);<sup>75</sup>
- **Dividends paid on other equity issued.**

All the above requirements would apply only to banks that hold an FDI relationship. Collecting this information in the IReF would make it possible to standardise compilation practices across the euro area. The requirements will only be included in the IReF Regulation if collection of the corresponding existing national reports from banks is discontinued.

Respondents are kindly invited to assess the costs of transmitting the proposed information, as well as the associated benefits (e.g. discontinuing existing country-specific requirements). While dividends received on other equity would be collected monthly (to match the frequency of the instrument information), the complementary CBA is assessing quarterly and annual collection of the other attributes separately.

### Question 3.28

Please provide an assessment of the **implementation costs** of the proposed information.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Monthly frequency</b>						
Dividends paid on other equity issued	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Quarterly frequency</b>						
Ordinary profit, provisions, realised gains or losses, gains or losses arising from valuation changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinvested earnings receivable from foreign affiliates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Annual frequency</b>						
Ordinary profit, provisions, realised gains or losses, gains or losses arising from valuation changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinvested earnings receivable from foreign affiliates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>75</sup> Principles for extending the relationship through indirect ownership: a series of subsidiaries can continue as long as control exists (>50%) at each stage in the ownership chain. An affiliate cannot extend the chain of ownership by owning between 10% and 50% of the votes of an enterprise.

### Question 3.29

Please provide an assessment of the **regular costs** of the proposed information.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Monthly frequency</b>						
Dividends paid on other equity issued	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Quarterly frequency</b>						
Ordinary profit, provisions, realised gains or losses, gains or losses arising from valuation changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinvested earnings receivable from foreign affiliates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Annual frequency</b>						
Ordinary profit, provisions, realised gains or losses, gains or losses arising from valuation changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinvested earnings receivable from foreign affiliates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.30

Please provide an assessment of the **benefits** of the proposed information.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Monthly frequency</b>						
Dividends paid on other equity issued	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Quarterly frequency</b>						
Ordinary profit, provisions, realised gains or losses, gains or losses arising from valuation changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinvested earnings receivable from foreign affiliates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Annual frequency</b>						
Ordinary profit, provisions, realised gains or losses, gains or losses arising from valuation changes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reinvested earnings receivable from foreign affiliates	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 3.10 Securities transferred in repos and other lending operations

The CBA did not assess the possibility of direct collection from reporting agents of ISIN securities transferred in repurchase agreements (repos) and other cash, securities lending or collateralised operations where securities are used as collateral or transferred, resulting in a change of legal ownership despite no change in economic ownership.<sup>76</sup> Nevertheless, several euro area countries collect information on these operations, as they have important analytical value (e.g. for examining

<sup>76</sup> See also Section 2.1 for a definition of legal and economic ownership.

asset encumbrance) and it can also be important for statistical compilation to distinguish between legal and economic ownership of securities. As clarified above, the latter is relevant for international statistical standards,<sup>77</sup> but custodians often cannot distinguish between economic ownership and legal ownership of the securities they hold in custody.<sup>78</sup>

Data collection would be limited to ISIN securities. It would cover instrument level information on the type of product (e.g. repo, reverse repo, securities lending, securities borrowing) and the nominal amount of debt securities or number of shares involved in the transactions. For transactions vis-à-vis natural persons, the information would be collected with a breakdown by sector and country of residence of the counterparty; for those vis-à-vis legal entities, whether to collect the information at the level of individual counterparty needs to be assessed. The latter option would enable the information to be directly matched with custodian data collected in IReF from banks, if this level of granularity is introduced.<sup>79</sup> The information will not be collected at the level of individual transactions but of end-month positions.

**Proposed scenario:** Collect instrument-level information on ISIN securities transferred in repurchase agreements and other lending operations.

For positions vis-à-vis legal entities, the proposed scenario will distinguish between collection of the information with or without identification of the counterparty.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario.

### Question 3.31

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Positions vis-à-vis legal entities</b>						
Identification of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Breakdown by sector and country of residence of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Positions vis-à-vis natural persons</b>						
Breakdown by sector and country of residence of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>77</sup> See “[Handbook on Securities Statistics](#)”, IMF/BIS/ECB, Washington, D.C., 2015, para. 6.21

<sup>78</sup> See, for example, “[Coordinated Portfolio Investment Survey Guide](#)”, Third Edition, IMF, Washington, D.C., 2018, para. 3.49ff.

<sup>79</sup> See [Cost-benefit assessment questionnaire on the Integrated Reporting Framework for the banking industry](#), Section 4.4.1 “Collection of custodian data on ISIN securities”.

### Question 3.32

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Positions vis-à-vis legal entities</b>						
Identification of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Breakdown by sector and country of residence of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Positions vis-à-vis natural persons</b>						
Breakdown by sector and country of residence of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.33

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Positions vis-à-vis legal entities</b>						
Identification of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Breakdown by sector and country of residence of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Positions vis-à-vis natural persons</b>						
Breakdown by sector and country of residence of the counterparty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / banking associations / service providers>

## 3.11 Off-balance-sheet items vis-à-vis legal entities (excluding derivatives)

The CBA did not assess the possibility of collecting information on off-balance-sheet items vis-à-vis legal entities, such as undrawn credit and multi-component facilities. Nevertheless, several euro area NCBs collect granular off-balance-sheet information through national reporting frameworks to monitor how much granted undrawn credit is available to debtors. This information allows users to assess whether increased credit volumes are due to newly granted credit or use of existing credit facilities.

Significant amounts of undrawn credit are not reported in AnaCredit. The AnaCredit Manual differentiates between “undrawn amounts”, which are off-balance sheet components of instruments eligible for reporting to AnaCredit (i.e. loans), and strict off-balance-sheet items, i.e. “items where no outstanding amount may exist in combination with the off-balance-sheet amount”. The AnaCredit Regulation does not cover information on credit facilities not connected to an instrument, such as off-



balance-sheet items like guarantees given, letters of credit, etc., but mentions that these will be left for a future extension to AnaCredit collection.<sup>80</sup>

Another important aspect of AnaCredit off-balance-sheet reporting is that the off-balance-sheet amount of eligible instruments is only reported when the instrument is created, i.e. when “the creditor enables the debtor to draw funds after entering into a legally binding contract with a debtor”. Therefore there might be loan commitments that are not reported until the debtor has access to the funds.

One last challenging aspect about off-balance-sheet reporting relates to multi-component facilities. These umbrella contracts allow the borrower, or a multiplicity of borrowers, to draw funds in a variety of ways and generally have a predefined limit applicable to the whole contract. Some instruments could be within the scope of AnaCredit (e.g. a loan), while others may be outside it (e.g. guarantees). Reporting agents may not know in advance which instrument will be drawn or which borrower will draw funds, and reporting can only be based on assumptions or allocation by instrument.

In summary, against the background of current AnaCredit reporting, off-balance-sheet information could be categorised as follows for granular credit reporting:

1. **Off-balance-sheet items that are not connected to loans** (strict off-balance-sheet items) – e.g. guarantees given, such as “endorsements on bills not bearing the name of another institution or investment firm”.
2. **Credit facilities** that contractually give the client the ability to withdraw funds in the form of a loan, further distinguished by:
  - (a) Instruments already created in AnaCredit for which we may have an off-balance-sheet amount – e.g. credit card debt;
  - (b) Undrawn credit facilities that will be connected to a loan in AnaCredit, but where the instrument has not yet been created, e.g. standby facilities.
3. **Multi-component facilities** (or multi-instrument contracts), under which the borrower may draw funds in a variety of ways, with a pre-specified credit limit per individual facility – e.g. revolving underwriting facilities.

As mentioned above, AnaCredit currently only covers information for item 2(a). This could be extended to item 2(b) by requiring instruments to be reported whenever a contract has been signed and there is a commitment on the part of the reporting agent, be it revocable or irrevocable.

The cross-country comparison of country-specific requirements on off-balance sheet information shows that several NCBs collect information on a granular basis. They are therefore good candidates for inclusion in the IReF Regulation. The additional information would be included for positions vis-à-vis legal entities and could replace the existing heterogeneous national collections by establishing a common

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<sup>80</sup> See Recital 12 of [Regulation \(EU\) 2016/867 of the European Central Bank of 18 May 2016 on the collection of granular credit and credit risk data](#) (ECB/2016/13) (OJ L 144, 1.6.2016, p. 44).

standardised approach. Please consider that the proposal in this section excludes off-balance sheet positions vis-à-vis natural persons, on the rationale that, subject to a positive assessment of the proposal in Section 3.1, granular requirements on loans to natural persons would only cover existing statistical need.<sup>81</sup> Similarly, this section does not cover off-balance sheet derivative contracts.

A comprehensive list of off-balance-sheet items is provided in Annex V of the ITS Regulation for financial reporting purposes (FINREP).<sup>82</sup> Off-balance-sheet items received as protection and connected to an instrument – i.e. those reported in the instrument-protection and protection table – are already included in the baseline scenario; these do not constitute a new requirement and should not be considered in the evaluation of costs and benefits. For the purposes of IReF reporting, classification of an item as off-balance sheet will depend on the accounting standard adopted by the reporting agent on an individual basis.

**Proposed scenario:** Collect granular information on off-balance-sheet items given or received vis-à-vis legal entities (excluding derivative contracts and protection received connected to an instrument), with the following features:

- the type of off-balance-sheet items, in line with Annex V of FINREP under the applicable accounting standard<sup>83</sup>;
- the indication of whether off-balance-sheet items are *revocable*<sup>84</sup> or irrevocable;
- the distinction between off-balance-sheet items given, i.e. commitments pledged by the reporting agent to another entity, and those received, i.e. commitments pledged by another entity to the reporting agent.

The proposed scenario also applies to off-balance-sheet components of loans, where the requirements are not yet captured in the IReF baseline scenario (e.g. the distinction between revocable and irrevocable items) and would cover the existing country-specific requirements.

Respondents are invited to assess the costs and benefits of collecting the information for off-balance-sheet items. Small institutions are invited to consider that a derogation scheme will apply and they therefore may be exempt from reporting should they fulfil the criteria.

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<sup>81</sup> Section 6 assesses the costs and benefits of aligning IReF with FINREP solo, which would require off-balance-sheet positions vis-à-vis natural persons to be included in IReF as well. The costs and benefits of this should be assessed there.

<sup>82</sup> FINREP distinguishes the following categories of off-balance-sheet items: i) loans commitments; ii) financial guarantees; and iii) other commitments (see paragraphs 102-119 of Annex V of Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 (OJ L 097, 19.3.2021, p. 1) (ITS Regulation).

<sup>83</sup> Given the IReF timeline (i.e. go-live in 2027), the respondent should take into consideration that the classification of off-balance sheet items may be subject to change in the ITS Regulation on supervisory reporting due to the introduction of the CRR3 Regulation.

<sup>84</sup> Commitments which may be cancelled unconditionally at any time by the institution without prior notice, or that effectively provide for automatic cancellation due to deterioration in a borrower's creditworthiness

### Question 3.34

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.35

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 3.36

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

For multi-component facilities (item 3 above), the CBA proposed introducing a multi-instrument contracts table. IReF stakeholders and the banking industry in particular highlighted the complexity of modelling a table of this sort, while nevertheless recognising that introducing contract level information would be technically correct and prevent reporting agents from having to make assumptions to fit contract level information at the instrument level. However, should granular collection of off-balance-sheet items apply as proposed above, it may seem useful to reassess the costs and benefits of including a contract table for multi-instrument contracts.

For reporting agents, one of the main problems of a multi-instrument contract is the uncertainty as to which instrument will be drawn by the client. The information available to the reporting agent differs over time:

- Information available ex ante – i.e. before the client decides to draw on the facility – such as the contract features (the committed amount of the whole facility, which category of instruments may be drawn, economic covenants, etc.);
- Information available ex post – i.e. once the client has drawn on the facility – such as the type of instrument and the amount drawn.

This problem of complex and burdensome allocation by instrument can be solved by a separated contract table populated with the information available *ex-ante* to the reporting agent, and updated once the client has drawn funds, showing *ex-post* the connection with such facility and the instruments drawn on by the client. Without this approach, it would be necessary to report all possible instruments stipulated in the

contract that may be drawn on (and possibly the debtors), and arbitrarily allocate undrawn amounts to them.

**Proposed scenario:** The IReF collection will include a contract level table.

Respondents are invited to assess the costs and benefits of the proposed scenario, assuming granular collection of off-balance-sheet information (excluding derivatives).

**Question 3.37**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.38**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 3.39**

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

### 3.12 Additional considerations

Section 3 has so far assessed the costs and benefits of detailed scenarios regarding the extension of the IReF Regulation to cover country-specific requirements. Respondents are kindly invited to indicate in open text any additional considerations they may wish to offer on the approach proposed on the topics covered in this section.

**Question 3.40**

Please indicate any additional observations you may have on the topics covered in this section.

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<open text, voluntary>

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**<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>**

## 4 Additional features to optimise the analytical value of IReF

<filter: credit institutions / banking associations / service providers>

This section focuses on additional features that could enhance the analytical value of the information collected under IReF. The first is splitting the outstanding nominal amount of loans into the underlying elements and would apply to both granular and aggregated data requirements. The second is tracking changes in instrument identifiers at reporting agent level in the event of corporate events or changes in IT systems. The possibility of including statistical attributes to monitor risks related to climate change is then considered. The section concludes by assessing the costs and benefits of various risk and accounting attributes that could be covered in IReF in relation to granular loans.

<filter: other deposit-taking corporations>

This section focuses on additional features that could enhance the analytical value of the information collected under IReF. The first is splitting the outstanding nominal amount of loans into the underlying elements and would apply to both granular and aggregated data requirements. The second is tracking changes in instrument identifiers at the reporting agent level in the event of corporate events or changes in IT systems. The possibility of including statistical attributes to monitor risks related to climate change is then considered.

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

### 4.1 Splitting the outstanding nominal amount

Currently, the outstanding nominal amount of a loan is collected in AnaCredit net of accumulated write-offs and accrued interest and comprises three elements:

- **Principal balance:** the amount lent by the creditor, net of repayments;
- **Unpaid past-due interest:** the accumulated amount of interest outstanding at the reporting date which is contractually due but has not been paid;
- **Other balances:** the residual amount covering, for example, fees applied by the creditor for originating and/or servicing the loan (origination fees, late payment fees, etc.).

From a statistical compilation perspective, the main shortcoming of the current practice is that other balances cannot be excluded from loan transactions, as is the case under international statistical standards. In addition, information on the principal balance can be important for identifying dormant accounts (i.e. accounts not actively used that fall into overdraft due to fees being charged). The banking industry has indicated that excluding such loans from granular reporting is an important precondition for lowering (or removing) the current AnaCredit threshold under the IReF.

Consideration is being given to collecting the components of outstanding nominal amounts individually under IReF. This distinction would apply to both granular and aggregated information on loans, as applicable. The principal balance should include accumulated write-offs. The measure on outstanding nominal amounts would be dropped from the reporting scheme for loans, as it would be derivable from the new information by deducting the accumulated write-offs collected monthly under the IReF (subject to the final outcome of the matching of benefits and costs).

**Proposed scenario:** Collect the individual components of outstanding nominal amounts – i.e. principal balance (gross of accumulated write-offs), unpaid past-due interest and other balances for loans to legal entities and natural persons.

**<filter: credit institutions / banking associations / service providers>**

Respondents are kindly invited to assess the costs and benefits of the proposed scenario. A distinction is made between granular and aggregated requirements in order to be able to assess costs and benefits independently from the approach to data collection on loans to natural persons.

**<filter: other deposit-taking corporations>**

Respondents are kindly invited to assess the costs and benefits of the proposed scenario. A distinction is made between granular and aggregated requirements in order to be able to assess costs and benefits in the event of either aggregated or granular collection of loans.

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

**Question 4.1**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 4.2**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 4.3**

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated loan data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 4.2 Tracking changes in instrument identifiers

Instrument identifiers used in banks' internal systems may change over time, for example due to corporate events or changes in IT systems. The current practice in



AnaCredit is to not collect information on changes in loan identifiers, although some NCBs do so as part of their national frameworks.<sup>85</sup>

Collecting this information in the IReF for all granular requirements (for example loans, intragroup deposits and derivatives, and holdings of non-ISIN securities, where applicable, and conditional on the outcome of the matching of costs and benefits) could be beneficial. Instruments could be better tracked over their lifetime (preserving their information value over time) and reporting practices across NCBs could be standardised. The bridging would support statistical compilation as, for instance, corrections to past reporting dates could be made using the new identifier. From an analytical perspective, this approach would also ensure that linking IReF data with other non-IReF based datasets using these identifiers (for example Eurosystem collateral risk management data) would still be possible after a change of identifier.

**Proposed scenario:** Adapt the IReF data model to enable banks to report bridging between new and old instrument identifiers.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario.

**Question 4.4**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 4.5**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 4.6**

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>85</sup> Annex IV to the AnaCredit Regulation stipulates that each reporting agent must use a unique contract identifier to identify each contract and a unique instrument identifier to identify each instrument belonging to the respective contract.

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 4.3 Statistics related to climate change

Climate change poses new risks to the economy and the stability of the financial sector. In line with its mandate, the ECB is committed to addressing climate change risks and presented an [action plan](#) to include climate change considerations in its monetary policy strategy on 8 July 2022. The Statistics Committee of the ESCB has been tasked with developing statistical indicators on climate change.<sup>86</sup>

It may make sense to include any future climate change-related requirements addressed to banks by the ESCB in the IReF (for example relating to instruments recorded on balance sheet or counterparties), provided they fit within the consolidation scope (i.e. unconsolidated data at the level of the institutional unit). This would avoid setting up a separate data collection process with the same consolidation scope, potentially introducing redundancies and inefficiency. However, as many of the concepts are still under development, defining the statistical framework might take some time. A detailed assessment of all the elements that may be relevant to climate change cannot therefore take place at the moment. As a first step, respondents are requested to evaluate in general terms the possibility of including climate change-related statistics in the IReF, to the extent they fit within its scope. In the event of a positive assessment by stakeholders, requirements could be introduced later. A detailed assessment of costs and benefits will follow in due course, should the future requirements require the inclusion of significant new elements in the IReF reporting scheme.

### Question 4.7

Would you agree that the IReF reporting scheme should include granular data requirements related to climate change statistics, to the extent they relate to the same scope of consolidation?

	Very much disagree 1	Disagree 2	Neutral 3	Agree 4	Very much agree 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Some concrete potential requirements can already be assessed today in relation to the indicators elaborated in the ESCB report entitled “[Towards climate change related experimental statistical indicators](#)”. These elements can be thought of as a minimum set of requirements that would certainly apply to compiling climate change statistics.

- **Information relating to real estate collateral used for loans – their physical risk exposure and energy efficiency.** The following indicators are envisaged:

<sup>86</sup> See the ECB webpage on [climate change-related indicators](#).

address,<sup>87</sup> building use,<sup>88</sup> primary energy use,<sup>89</sup> insurance value and specificities,<sup>90</sup> and the identification number of the building according to the [INSPIRE directive](#).

- **Information relating to the carbon footprint of counterparties.** Firms are required to disclose information related to their carbon footprint under the Corporate Sustainability Reporting Directive (CSRD). Collection of these attributes is not envisaged under IReF in order to avoid double reporting. Instead, they will be obtained for ESCB use by linking standard company identifiers. CSRD reporting requirements are being imposed on large and listed companies and will be phased in gradually.<sup>91</sup> To obtain a proxy for the carbon footprints of a wider range of relevant counterparties, collection of the [NACE 4 code](#) for banks' counterparties is proposed. At the moment, the AnaCredit Regulation requires a level two, three or four NACE code. This section assesses a strengthening of requirements by making a level four NACE code mandatory.<sup>92</sup>
- **Information on sustainable activities and climate objectives at loan level.** This refers to the part of a loan that can be attributed to each EU taxonomy-aligned activity and the respective climate objectives.<sup>93, 94</sup> The requirements would also cover information on the level of assurance on alignment with the EU taxonomy (for example whether the alignment is based on self-assessment by the counterparty or creditor or is certified by an independent auditor).

#### <filter: credit institutions / banking associations / service providers>

Respondents are reminded that depending on the assessment received in Section 3.1, the indicators assessed below might also be collected for natural persons, where applicable. No information will be collected that would allow direct or indirect identification of natural persons. In the event of a negative assessment of the

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<sup>87</sup> Location of properties based on address identifiers, usually by road name, house number, postal code, country.

<sup>88</sup> The intended use of a building is determined according to the purpose for which the largest part of the gross floor area of the building is used. The following categories are given as an example: residential buildings, free-time residential buildings, commercial buildings, office buildings, buildings for institutional care, educational buildings, industrial and mining and quarrying buildings, energy supply buildings, public utility buildings, warehouses, rescue services buildings, agricultural buildings and livestock shelters, other buildings. Definitions will be specified in the IReF Regulation if data is to be collected.

<sup>89</sup> As defined in [Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency](#) (OJ L 315, 14.11.2012, p. 1).

<sup>90</sup> As defined in [Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance \(Solvency II\)](#) (OJ L 335, 17.12.2009, p. 1), in Annex 1 Classes of non-life insurance.

<sup>91</sup> For companies already within the scope of the Non-Financial Reporting Directive, the first CSRD reports would be required in 2025; for other large companies, in 2026; for listed SMEs, in 2027; for third-country branches/subsidiaries, in 2029.

<sup>92</sup> When not available, reporting agents may nevertheless report a lower level NACE code.

<sup>93</sup> See [Regulation \(EU\) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation \(EU\) 2019/2088](#) (OJ L 198, 22.6.2020, p. 13).

<sup>94</sup> The European Commission has published a tool to facilitate the access of the EU Taxonomy contents. Please see the [EU Taxonomy Navigator](#).

approach to collecting information on loans to natural persons from credit institutions, the requirements related to climate change would only be applicable to loans to legal entities.

**<filter: other deposit-taking corporations>**

Respondents are reminded that the application of the requirements considered in this section depends on the assessment received in Section 3.1. No information will be collected that would allow direct or indirect identification of counterparties. In the event of aggregated data collection on loans, the requirements related to climate change would not be applicable.

**<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>**

At this stage, only indicators identified as necessary to compile climate change statistics are being assessed. Data generated from other regulatory initiatives in the EU such as the Sustainable Finance Disclosure Regulation and the EU Taxonomy Regulation have been taken into account when selecting these indicators. The proposal considered in this section rules out duplications with other data collection processes, for example those arising from the CSRD and European Banking Authority (EBA) requirements relating to Pillar 3 disclosures on environmental, social and governance risks. Respondents can be reassured that, should these indicators be available from another source by 2027, they will be excluded from the IReF.

**Proposed scenario:** The IReF reporting scheme would include indicators relating to the real estate collateral used for loans, the carbon footprint of counterparties, and the sustainable activities and the climate objectives of the loans as described above.

The questions set out below are intended to assess the implementation costs and the regular costs of transmitting the proposed information as well as the associated benefits (for example discontinuing existing country-specific requirements, avoiding ad hoc questions in the context of data quality management activities, etc.).

### Question 4.8

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Information relating to real estate collateral used for loans – its physical risk exposure and energy efficiency</b>						
Address	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Primary energy use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance: value and specificities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identification number of the building according to the INSPIRE Directive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Information relating to the carbon footprint of counterparties</b>						
NACE 4 for banks' counterparties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Information on sustainable activities and climate objectives at loan level</b>						
Sustainable activities and climate objectives of the loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 4.9

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Information relating to real estate collateral used for loans – its physical risk exposure and energy efficiency</b>						
Address	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Primary energy use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance: value and specificities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identification number of the building according to the INSPIRE Directive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Information relating to the carbon footprint of counterparties</b>						
NACE 4 for banks' counterparties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Information on sustainable activities and climate objectives at loan level</b>						
Sustainable activities and climate objectives of the loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 4.10

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Information relating to real estate collateral used for loans – its physical risk exposure and energy efficiency</b>						
Address	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Building use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Primary energy use	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Insurance: value and specificities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Identification number of the building according to the INSPIRE Directive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Information relating to the carbon footprint of counterparties</b>						
NACE 4 for banks' counterparties	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Information on sustainable activities and climate objectives at loan level</b>						
Sustainable activities and climate objectives of the loan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / banking associations / service providers>

## 4.4 Protection allocated value eligible for credit risk mitigation under the CRR

AnaCredit reporting currently does not contain information on the amount of the protection value which is eligible for credit risk mitigation (CRM) under the CRR. More specifically, under the current AnaCredit requirements:

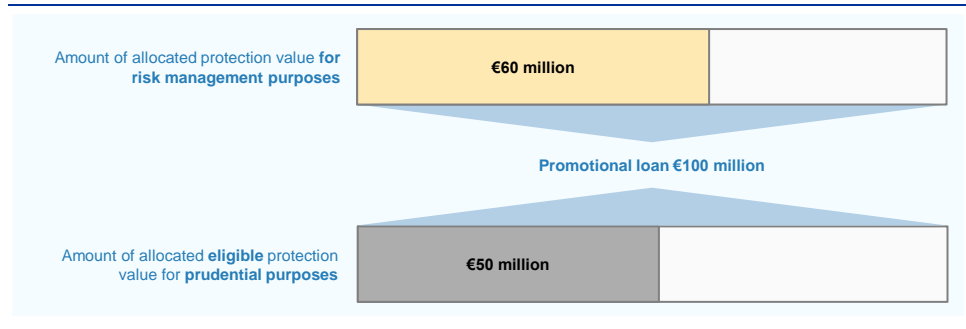
- the **protection value** is defined as the value of the collateral in its entirety before applying any adjustments;
- the **protection allocated value** is defined as the maximum amount of the protection value that is considered as credit protection for the instrument by the institution's internal risk management, when accounting for third-party priority claims, haircuts, other protection available, etc.

Under the CRR requirements (Pillar 1), however, when calculating risk weighted exposure amounts a bank can allocate part of the protection value to the exposure (i.e. reduce the risk-weighted exposure amounts) provided the protection is eligible to be used as a CRM technique. The bank determines how much of the protection value is allocated to the loan value according to CRR rules.

As an example, consider a promotional loan of €100 million backed by a government guarantee of 100%. Under AnaCredit, the protection value is then €100 million. Assume further that the protection allocated value based on AnaCredit definitions (as per the bank's risk management) amounts to €60 million. The government guarantee

is considered unfunded credit protection, which is eligible for CRM. The bank decides to allocate 50% of the protection for prudential purposes. This scenario is depicted in **Figure 4.1**.

**Figure 4.1**  
Example of protection value



The effects of this scenario are a reduction of the risk weighted exposure amount of the loan and a reduction of the own funds requirement for the bank.

As this information is relevant for micro and macro prudential purposes but currently cannot be obtained based on AnaCredit data, the proposal is to extend collection under IReF to include the amount of the protection value eligible for CRM under the CRR. Data would only be reported when already available to the reporting agents. This means that the reporting requirement would not lead to an obligation on the bank to provide the information if it has been derogated from the reporting of prudential requirements on an individual basis.

**Proposed scenario:** Collect information on the amount of the protection allocated value which is eligible for CRM under the CRR in Pillar 1.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario.

**Question 4.11**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 4.12**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 4.13

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / banking associations / service providers>

## 4.5 Governing law of loan agreements

AnaCredit reporting does not currently contain any information on the country whose law governs a loan agreement, in other words the jurisdiction under which any contractual dispute would be adjudicated.<sup>95</sup> However, this is of high analytical importance from various perspectives. First, it is key for assessing credit claims as collateral within the monetary policy framework of the Eurosystem. In addition, from a micro and macro prudential perspective, the information would be relevant for assessing the implications of loan status and the mobilisation of non-performing loans.

**Proposed scenario:** Collect information about the country whose law governs a loan agreement.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario.

#### Question 4.14

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 4.15

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<sup>95</sup> This is not necessarily the same as the country where the loan was originated.



#### Question 4.16

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / banking associations / service providers>

## 4.6 Reporting protection issuers

AnaCredit reporting currently collects information on the protection provider of a loan, requiring the identity of the main protection provider in cases of multiple guarantors.<sup>96</sup> The idea of collecting information on multiple protection providers was tested in the CBA questionnaire and supported overall by stakeholders. In contrast, AnaCredit does not collect information on protection issuers. For example, if a loan (or security) is used as collateral, the protection provider is the instrument creditor (or holder), while the protection issuer is the instrument debtor (or issuer). While both protection providers and issuers are relevant to analyse the protection received, the value of protection depends on the protection issuer, not the provider.

Following current AnaCredit practice, information on protection issuers was not included in the [draft IReF reporting scheme](#) proposed for the CBA. The complementary CBA is now assessing potentially including information on protection issuers.<sup>97</sup> Since a single protection may have more than one issuer (and given the likely extension of the IReF scheme to include multiple protection providers, based on the CBA results), consideration could be given to the possibility of reporting multiple protection issuers with their corresponding protection values – i.e. the amount of protection value each issuer is liable for.

**Proposed scenario:** Collect information on protection issuers and the protection value associated with them.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario.

<sup>96</sup> The AnaCredit Manual states that, “in the case of a plurality of protection providers, reporting agents are advised to select which one to report to AnaCredit, basing their choice on reasonable and risk prudent considerations (examples: subordination of liabilities, size of the contribution to the joint protection)”.

<sup>97</sup> The protection issuer would not be needed for ISIN securities received as a protection, as the issuer could be identified through the ESCB Centralised Securities Database. Moreover, a look-through approach will not be applied, meaning that reporting agents will not be required to report all issuers of the assets underlying collective investment undertakings and other investments packaged as funds or securitisations (e.g. asset backed securities, CIU, ETFs, etc.).

#### Question 4.17

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Protection issuers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value associated to each protection issuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 4.18

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Protection issuers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value associated to each protection issuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 4.19

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Protection issuers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Protection value associated to each protection issuer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / banking associations / service providers>

## 4.7 Reporting probabilities of default

The current [draft IReF reporting scheme](#) follows the approach used by the AnaCredit Regulation, where a counterparty's twelve-month probability of default (PD) is determined in accordance with the rules and definitions of the CRR. This implies that only internal ratings based (IRB) regulatory PDs approved by supervisors should be reported. Following AnaCredit, the draft IReF reporting scheme requires the exposure-weighted average of instruments' PDs to be collected whenever no counterparty-level PD is computed for the obligor.

The complementary CBA proposes to evaluate the possibility of reporting other types of PDs in addition to the twelve-month IRB ones. If the information is included in the IReF, data would only be reported when already available to the reporting agent for debtors, protection providers and protection issuers. This means that the reporting requirement would not require banks to provide information when not available. The following information could be collected:

- **IFRS9 twelve-month PD:** the twelve-month PD underlying the calculations of the expected credit losses under IFRS9 for both IRB and non-IRB counterparties;
- **IFRS9 lifetime PD:** the lifetime PD underlying the calculations of the expected credit losses under IFRS9, along with the expected lifetime of the instruments for both IRB and non-IRB counterparties;
- **Bank-internal twelve-month PD:** the twelve-month PD assigned by the internal risk management of the bank (only for non-IRB counterparties).

The information is relevant for analytical purposes, especially in the prudential area (e.g. analysis of banks' sensitivity to risks). Respondents are kindly invited to assess the costs and benefits of reporting the additional information (where applicable), considering the elements above.

#### Question 4.20

Please provide an assessment of the **implementation costs** of the information above.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
IFRS9 twelve-month PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IFRS9 lifetime PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank-internal twelve-month PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 4.21

Please provide an assessment of the **regular costs** of the information above.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
IFRS9 twelve-month PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IFRS9 lifetime PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank-internal twelve-month PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 4.22

Please provide an assessment of the **benefits** of the information above.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
IFRS9 twelve-month PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
IFRS9 lifetime PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bank-internal twelve-month PD	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In contrast to the current AnaCredit requirements, it is also proposed that information on PDs would be collected in the IReF at both obligor and instrument level, when available. The IReF data model would then be generalised to enable PDs to be

collected at instrument level<sup>98</sup>, when applicable. This would allow correct representation of the PDs evaluated by reporting agents.<sup>99</sup> Unlike AnaCredit, it also means reporting agents do not have to calculate (exposure weighted) averages of the PDs available at instrument level when these are not available at obligor level.

**Proposed scenario:** Information on PDs would be collected at the level of the counterparty or at the level of the instrument, where these are available to the reporting agent.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario.

**Question 4.23**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 4.24**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 4.25**

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 4.8 Additional considerations

This section has so far assessed the costs and benefits of detailed scenarios regarding the additional features needed to optimise the IReF analytical value. Respondents are kindly invited to indicate in open text any additional considerations

<sup>98</sup> For an example of a PD reported at instrument level, please refer to example 67(3) in paragraph 11.4.1 of the AnaCredit Manual part II.

<sup>99</sup> In fact, it will be aligned with the approaches allowed by the CRR and accounting regulations.

they may wish to offer on the approach proposed on the topics covered in this section.

**Question 4.26**

Please indicate any additional observations you may have on the topics covered in this section.

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<open text, voluntary>

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**<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>**

## 5 Operational aspects of IReF reporting

NCBs have made different choices on how data are collected from reporting agents, for instance as regards the types of data submission and the way reporting schedules are organised. The IReF aims to standardise the approach to data transmission across the Eurosystem. This section assesses the costs and benefits of various scenarios for these aspects based on existing national practices.

### 5.1 Types of data submission

This section looks at how data will be transmitted by reporting agents for both new reporting periods and corrections to previous reporting periods (i.e. revisions), regardless of the format of the data transmission itself (e.g. xml, csv and json). The following three main types of data submissions are broadly applicable in statistical collections. A distinction is made between static attributes (such as the inception date of a loan) and dynamic attributes (for example the outstanding nominal amount).

- **Full replacement:** for transmissions referring to both a new reporting period and revisions, a new block of records is transmitted for all attributes (i.e. both static and dynamic). For revisions, the new block replaces the whole dataset for the period concerned.
- **Full dynamic:** for transmissions referring to new reporting periods, a new block of records is transmitted for dynamic attributes (i.e. full replacement), while static attributes should be transmitted on the first occurrence only, because NCBs can use the attributes from the previous periods for future occurrences. This is based on the assumption that the dataset is complete for previous periods. For revisions, static attributes have to be explicitly appended, replaced or deleted and for dynamic attributes, full replacement for the affected period is required.
- **Change:** this method applies to revisions and can therefore be applied in combination with the full replacement or the full dynamic option (needed for transmissions referring to a new reporting period). It is applied at the level of each record and allows items to be to appended, deleted or replaced for each period.

The types of submission used in the Eurosystem currently vary across country and data collection. For instance, the practices for AnaCredit and SHS are heterogeneous across NCBs.<sup>100</sup> In most euro area countries, however, full replacement is applied.

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<sup>100</sup> For instance, the Money Market Statistical Reporting (MMSR) Regulation allows only the “change” submission type.

The IReF aims to establish a common and transparent approach to data submissions that will allow the industry to develop scalable interfaces working across Europe. Application of the different methods is not necessarily mutually exclusive. For example, “full replacement” submission type could be applied for new reporting periods, while the “change” could be used for revisions. The methods are therefore assessed separately in the complementary CBA for transmissions of data for new reference periods and for revisions.

Respondents are kindly invited to assess the costs and benefits of the scenarios under consideration.

**Question 5.1**

Please provide an assessment of the **implementation costs** of the proposed scenarios.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>For data transmission of revisions</b>						
Full replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full dynamic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>For data transmission of new periods</b>						
Full replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full dynamic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 5.2**

Please provide an assessment of the **regular costs** of the proposed scenarios.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>For data transmission of revisions</b>						
Full replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full dynamic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>For data transmission of new periods</b>						
Full replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full dynamic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 5.3

Please provide an assessment of the **benefits** of the proposed scenarios.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>For data transmission of revisions</b>						
Full replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full dynamic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>For data transmission of new periods</b>						
Full replacement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Full dynamic	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 5.2 Reporting schedules

IReF requirements can be divided into two broad categories: i) those used directly to derive the aggregated monetary reports needed shortly after the reference date (e.g. monetary aggregates, loan and other credit aggregates, interest rates);<sup>101</sup> and ii) all other requirements. Data in the first category would be collected at monthly frequency.

The CBA questionnaire assessed the possibility of two transmission deadlines: T+10-12 working days for monthly data needed early for statistical compilation, and T+20-24 for residual monthly and quarterly information. This proposal has been reflected in the IReF draft reporting scheme. It would imply a very high annual number of production rounds (12 per year at T+10-12, plus another 12 at T+20-24). In addition, under the baseline scenario for the IReF revision policy, at each production round data could be received for up to one year back, implying large amounts of data being processed at each production round.

The complementary CBA is assessing reporting schedules once again, taking into consideration the implications of ensuring data consistency across frequencies in a situation where revisions are collected, and the need to simplify the reporting process by not splitting the IReF implementation model into too many modules. In particular, the challenges of ensuring consistency between monthly and quarterly data were not assessed in detail in the CBA, except with reference to data on write-offs. Here reporting agents highlighted the benefits of sending self-consistent datasets at different timelines with increasing levels of accuracy. For instance, this would mean that when official accounting data become available, quarterly submissions would trigger revisions to the monthly data to preserve the internal consistency of the IReF dataset.

<sup>101</sup> Accumulated write-offs would be needed to compile aggregated monetary reports and thus would likely be collected monthly.



Analysis of the CBA results also underlined the need for a simplified reporting schedule.<sup>102</sup> This could be achieved, for instance, by anticipating the reporting of some of the monthly variables currently set at T+20-24 or, as mentioned by some banks, setting a one-time data delivery for each frequency (i.e. reporting the full monthly IReF data at the same deadline). Of course, these possibilities need to be assessed in the light of the general trade-off between timeliness and accuracy: the tighter deadlines, the lower the level of accuracy and the greater the need to revise the information collected. Consequently, it is recognised that some of the information required with an early deadline in IReF is provisional in nature and may require updates to become correct.<sup>103</sup> For example, accumulated write-offs would be reported monthly at T+10-12 but owing to their accounting nature the quality of the information may improve over time. The values originally reported at T+10-12 may thus be updated accordingly at the next production round. The point of aligning the quarterly transmission with the EBA ITS deadline for FINREP<sup>104</sup> was also raised in the feedback received in the CBA. While this is yet to be considered in the forthcoming matching of costs and benefits, respondents are invited to answer the question below based on the assumption that this alignment does take place under IReF.

Revision policy is a broad topic in the IReF and, in general, failures to report complete and correct statistical information are subject to the ESCB non-compliance framework.<sup>105</sup> Below we refer to “updates” as a special type of revision that refers to the process of gradually improving the accuracy of data during a specific reporting period while maintaining the consistency of the dataset.

Different approaches to reporting schedules are considered in the complementary CBA, taking into account how subsequent updates to a dataset can increase accuracy. The baseline scenario is consistent with the current [draft IReF reporting scheme](#). The figures below refer to the number of working days following the reference period.

**Scenario 1 (baseline):** IReF data are collected at two frequencies: monthly and quarterly. The monthly data are transmitted at two deadlines, at T+10-12 and T+20-24. The quarterly data are transmitted at T+20-24.

**Scenario 2:** IReF data are collected at two frequencies: monthly and quarterly. All monthly data are transmitted at the earliest deadline of T+10-12 and, where needed,

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<sup>102</sup> See [Cost-benefit assessment on the Integrated Reporting Framework Reporting schedules, revision policy, approach to derogations and implementation aspects](#).

<sup>103</sup> The exact level of (automatic) validation and plausibility checks, as well as the timelines for follow-up by the reporting agents, is still under investigation, but in general one can expect checks on format, consistency and accuracy. Revisions will be expected shortly after the data quality checks to ensure the quality of the monetary reports.

<sup>104</sup> Institutions are expected to submit quarterly FINREP information to competent authorities by close of business on the following remittance dates: 12 May, 11 August, 11 November and 11 February. If the remittance day is a public holiday in the Member State of the competent authority to which the report is to be provided, or a Saturday or a Sunday, data must be submitted on the following working day. On average, in 2022 this represents a lag of about 30 working days from the end of the reference period, which is more generous than the 20-24 working days currently foreseen for the IReF.

<sup>105</sup> See Regulation (EU) 2022/1917 of the European Central Bank of 29 September 2022 on infringement procedures in cases of non-compliance with statistical reporting requirements and repealing Decision ECB/2010/10 (ECB/2022/31).

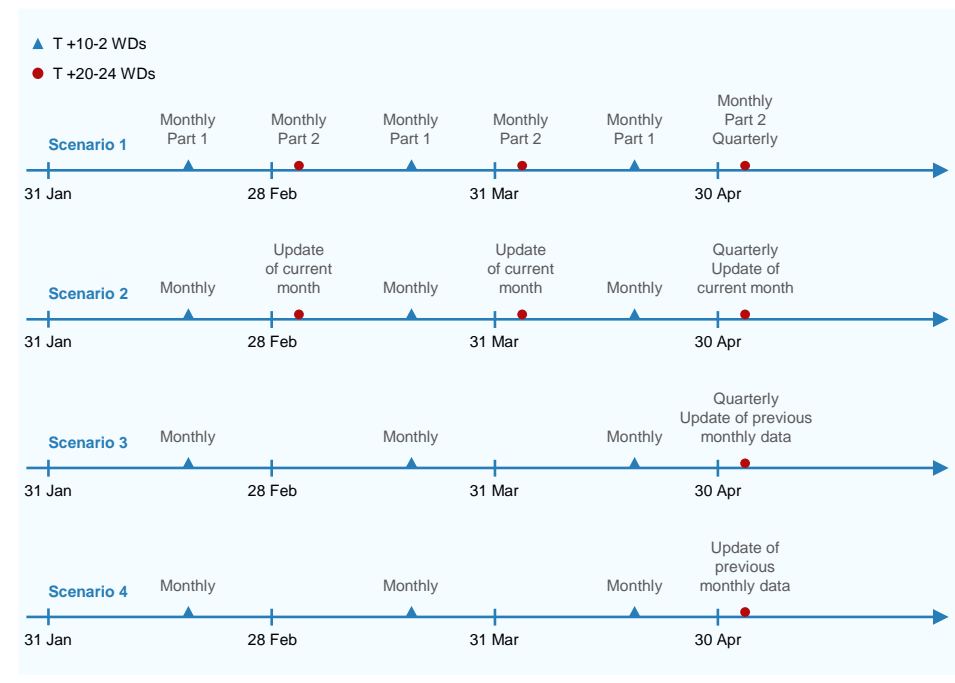
updated at the subsequent monthly deadline of T+20-24. Quarterly data are transmitted at T+20-24.

**Scenario 3:** IReF data are collected at two frequencies: monthly and quarterly. All monthly data are transmitted at the earliest deadline of T+10-12 and, where needed, updated at a subsequent quarterly deadline together with the quarterly data transmission at T+20-24.

**Scenario 4:** The entire IReF dataset (i.e., all monthly and current quarterly data) is collected monthly at T+10-12 and, where needed, updated at a subsequent quarterly deadline at T+20-24.

**Figure 5.1**

A graphical representation of reporting schedule scenarios



**Figure 5.1** gives a graphical representation of the scenarios. Scenarios 1 and 2 imply 24 reporting/production rounds per year. In both cases monthly updates apply at T+20-24, but while in scenario 2 all monthly data are reported at T+10-12, in scenario 1 some are reported at T+20-24. Scenarios 3 and 4 imply 16 reporting/production rounds per year. In both cases quarterly updates apply, but while in scenario 4 all data are first reported monthly, in scenario 3 some are done so quarterly.

Under all scenarios the IReF dataset is expected to be consistent within itself, while the precision of the dataset will improve over time. However, the scenarios are not expected to be equivalent from an implementation perspective, as handling very large volumes of data due to subsequent updates may be costly.

Respondents are kindly invited to assess the costs and benefits of scenarios 2, 3 and 4 compared with scenario 1.

#### Question 5.4

Please provide an assessment of the **implementation costs** of the alternative scenarios compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 5.5

Please provide an assessment of the **regular costs** of the alternative scenarios compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Question 5.6

Please provide an assessment of the **benefits** of the alternative scenarios compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 4	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 5.3 Early submission of counterparty reference data

As expressed in the CBA, the IReF relies substantially on reference datasets such as the RIAD. Similar to what happens today in AnaCredit and SHS, under IReF reference data on counterparties (i.e. legal entities) will be used to enrich the granular information reported, for example on loans and holdings of securities. The quality of this reference data is key, and it is particularly important that any gaps (i.e. new counterparties for which reference information is not yet available in RIAD, or whose reference information has been modified) are identified as early as possible in the cycle to give the relevant NCBs time to identify these correctly and, where relevant, collect the information from different sources (for example, business registers).

For this reason, several NCBs currently require reporting agents to submit a (possibly limited) set of reference information in advance of other non-reference information for AnaCredit and SHS. National practices differ, and also depend on the approach followed to source the counterparty reference information. Under the provisions of the AnaCredit Regulation, NCBs may grant reporting agents derogations from collecting reference data on entities; instead, they need only collect official national identifiers and/or an LEI code and retrieve the actual reference data from other sources such as the national business register.<sup>106</sup> It is expected that under the IReF NCBs will retain the option of sourcing reference data from sources other than reporting agents.

At present, when reference data are sourced directly from reporting agents, early submission normally targets the basic attributes needed to identify entities – for example identifier, name, address, or to compile aggregated statistics – for example sector and country of residence. Early transmission results in the NCB assigning a unique ID to every new counterparty, storing the information (including the ID) in the local reference database to avoid overlaps and providing feedback to the reporting agent so the information can be used when transmitting AnaCredit and SHS data. Early submissions may apply even in cases where NCBs do not collect the full reference information from reporting agents, e.g. identifiers of new counterparties.

Discussions within the ESCB have revealed strong support for the complementary CBA assessing early submission of a subset of reference data under the IReF, with the objective of supporting the compilation process. Early submission would be standardised across countries to the extent possible, in terms of both attributes to be collected and timeline. The specific list of attributes to be transmitted has yet to be defined but is expected to focus on the information needed to identify an entity (for example identifier, name, address, etc.). All remaining attributes will be collected along with the rest of the dataset. Where other sources are used for reference data, early transmission may be further limited to the identifiers of counterparties, in line with current practices.

While early submission of reference data would introduce an additional monthly transmission in the IReF reporting schedule, it is expected that this approach could be beneficial for ensuring the quality of the reference data reported and, in turn the enriched IReF data and derived statistics.<sup>107</sup> Improved quality of reference information could reduce the number of ad hoc questions that may arise during data quality checks that are carried out later in the compilation process, where errors are typically more complex to analyse and resolve. Additional time given to NCBs may in some cases also provide them with an incentive to retrieve more information from other sources such as business registers, possibly limiting the need for reporting agents to report identifiers only, in line with the experience of some countries. Over time, the need for early submission may decrease as the coverage of the reference

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<sup>106</sup> In most cases this derogation is limited to domestic counterparties.

<sup>107</sup> Such an approach could, for instance, enable NCBs to cross-check reported information with business registers and uniquely identify new counterparties before the data production cycle starts.

databases improves. The flow of new or modified entities will, of course, not fully disappear.

The complementary CBA considers different approaches to the submission of reference data, taking as a baseline scenario submission at T+10-12 working days after the end of the reference period for the core IReF monthly data, in line with the baseline proposal in Section 5.2. scenarios 2 and 3 assess the costs and benefits of early submission of a basic set of attributes for counterparties to NCBs. The main difference between the two scenarios is whether the information would be submitted for all counterparties, or just for those with changes – i.e. new counterparties or ones with modified information. The ESCB is currently investigating the feasibility of sharing a subset of RIAD attributes with reporting agents to facilitate data submissions and align reference data on entities that are available to banks with the ESCB reference data in advance, not least from a legal perspective. This approach would obviously facilitate early submission of reference information by reporting agents in all cases. RIAD data would ideally be shared with reporting agents around 4-6 working days after the end of the reference period, in advance of the early submission that will likely take place around 6-8 working days after the end of the reference period.

**Scenario 1 (baseline):** no early submission of counterparty reference data. Relevant counterparty reference data are reported as part of the IReF dataset required at T+10-12 only.

**Scenario 2:** the relevant subset of counterparty reference data attributes are submitted by reporting agents *for all legal entities* at T+6-8 after the end of the reference period (i.e. four days before the deadline for submitting the IReF dataset for early statistics compilation). All remaining reference information attributes relevant for early statistics compilation are submitted at T+10-12 (as in scenario 1).

**Scenario 3:** the relevant subset of counterparty reference data attributes is submitted by reporting agents *only for changes or new legal entities* at T+6-8 after the end of the reference period (i.e. four days before the deadline for submitting the IReF dataset for early statistics compilation). All remaining reference information attributes relevant for early statistics compilation are submitted at T+10-12 (as in scenario 1).

Respondents are kindly invited to assess the costs and benefits of the proposed alternative scenarios compared with scenario 1.

### Question 5.7

Please provide an assessment of the **implementation costs** of the alternative scenarios compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 5.8**

Please provide an assessment of the **regular costs** of the alternative scenarios compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 5.9**

Please provide an assessment of the **benefits** of the alternative scenarios compared with scenario 1.

	Significantly lower 1	Moderately lower 2	No difference 3	Moderately higher 4	Significantly higher 5
Scenario 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Scenario 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**5.4 Additional considerations**

This section has so far assessed the costs and benefits of detailed scenarios regarding the operationalisation of the IReF reporting. Respondents are kindly invited to indicate in open text any additional considerations they may wish to offer on the approach proposed on the topics covered in this section.

**Question 5.10**

Please indicate any additional observations you may have on the topics covered in this section.

<open text, voluntary>

<filter: credit institutions / banking associations / service providers>

## 6 Closer alignment with FINREP solo

In line with the general objective of strengthening the integration of statistical, prudential and resolution data, consideration may be given to further improving the analytical value of IReF data for micro and macro-prudential purposes – i.e. going beyond the enhancements already discussed in Sections 3 and 4. Closer alignment between IReF and FINREP solo could allow more substantial use of the IReF dataset for supervisory purposes, with the potential benefit of reducing ad hoc requests to reporting agents due to a more analytical and stable dataset. It could also allow parts of FINREP solo to be replicated based on IReF, which would be essential if these were to be discontinued at some future date.

The ECB legal framework for collecting FINREP solo information (Regulation (EU) 2015/34) sets up four different level of reporting for proportionality measures:

- FINREP Datapoints;
- Over-simplified FINREP;
- Simplified FINREP;
- Full FINREP.

In the interests of meaningful but not excessively burdensome alignment with FINREP solo, the scenarios proposed in this section aim to introduce the concepts relevant for simplified FINREP solo reporting as far as possible, but without targeting full FINREP at solo level. The concepts relevant for alignment have been developed with reference to both FINREP solo templates under IFRS and under national generally accepted accounting principles (GAAPs). Closer alignment does not mean that data under the IReF will be collected from reporting agents at the level of the legal entity in its entirety. Data collection will continue to follow statistical principles, asking the reporting agent to submit separate reports for individual observed agents in line with AnaCredit – i.e. distinguishing between positions relating to head office and foreign branches.

As a first step, respondents are invited to evaluate in general terms a closer alignment of IReF and FINREP solo in terms of content and definitions. Thereafter, the section focuses on providing a detailed assessment of the costs and benefits of the additional set of information that would be needed to close the gaps. In particular, Section 6.1 refers to extending the concepts (for example performing and default status) that are already included in IReF but apply to specific instruments only (for example loans) to all instrument types. In Section 6.2 the costs and benefits of including concepts not yet covered by the IReF draft scheme (for example advances that are not loans) are assessed. Section 6.3 considers the collection of off-balance-sheet items vis-à-vis natural persons, which was not considered in Section 3.11 above as they are not needed for statistical purposes. Section 6.4 concludes by

discussing the possibility of dynamically adjusting IReF to changes in supervisory legislation.

Respondents are reminded that, as explained in Section 5.2, the possible alignment of the IReF quarterly transmission with the EBA ITS deadline for FINREP is also under consideration. The ESCB is also assessing to what extent the accounting rules that will underpin the IReF data collection can be aligned with those of FINREP solo.

**Question 6.1**

Would you agree to closer alignment between IReF and FINREP solo in terms of content and definitions, also as a (technical) precondition for the potential future decommissioning of parts of FINREP solo and further integration of reporting?

	Very much disagree 1	Disagree 2	Neutral 3	Agree 4	Very much agree 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 6.1 Extensions related to concepts already available in IReF

The IReF baseline scenario includes several accounting concepts that only apply to specific financial instruments. For example, variables related to credit quality – such as performing status, default status or accumulated changes in fair value due to credit risk – are only applicable to loans to legal entities. These accounting concepts could be extended to all instrument types included in IReF and loans to natural persons, strengthening the linkages between IReF and FINREP solo. Extension would only take place where applicable to the specific instrument type (e.g. no impairment status would apply to securities issued or derivatives).

**Proposed scenario:** FINREP solo concepts already available in IReF would be extended to all instrument types (where applicable).

Respondents are kindly invited to assess the costs and benefits of the proposal, bearing in mind that the extension of concepts may have a varying impact depending on the granularity of the instrument types. For example, for securities held, which would be collected at instrument level, the approach would imply additional information; for derivatives, which would be collected on an aggregated basis (with the possible exception of intragroup positions), it would imply an additional level of breakdown.



### Question 6.2

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 6.3

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 6.4

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 6.2 Extensions related to concepts not included in the IReF baseline

For more substantial alignment with FINREP solo, IReF reporting could include concepts left out of the baseline scenario. The following extensions could be considered:

- **Coverage of advances that are not loans.** The IReF baseline scenario foresees aggregated data collection for these items as part of remaining assets (e.g. suspense and transit items). To achieve closer alignment with FINREP solo, two options could be considered:
  - Granular collection aligned to the data collection on loans;

- Aggregated collection with the addition of the attributes necessary to align the collection with FINREP solo (for example, performing status, impairment status, carrying amount).

Granular data collection of advances with identification of the counterparty would apply to legal entities; subject to the outcome of Section 3.1, for natural persons this would be done in an anonymised way. The two options are assessed separately below.

- **Information on instruments that are part of a disposal group classified as held for sale.**<sup>108</sup> Here too, the requirements may be granular (for example, loans to legal entities or holdings of securities) or aggregated (for example, loans to natural persons, subject to the outcome of Section 3.1). The information is relevant because financial instruments forming part of a disposal group classified as held for sale are reported separately<sup>109</sup> in FINREP solo.<sup>110</sup>
- **Information on gross carrying amount.** This (granular or aggregated) requirement refers to the gross carrying amount according to FINREP solo.<sup>111</sup>
- **Information on the maximum amount of the collateral or guarantee that can be considered.** This (granular or aggregated) requirement refers to the allocation of the protection values according to FINREP solo.<sup>112</sup>
- **Information relevant for fair value hierarchy.**<sup>113</sup> This information is relevant for all instruments measured at fair value for IFRS, IFRS-compatible national GAAP and national GAAP reporters, and may therefore also refer to aggregated or granular requirements.<sup>114</sup>
- **Additional requirements on derivatives.**<sup>115</sup> The additional information relates to the notional amount of derivatives, the type of market where they are exchanged (for example, over-the-counter) and the distinction between derivatives related to trading (for example, economic hedges) and to hedging (for example, type of hedge, type of hedged risk). As data on derivatives will be collected on an aggregated basis (with the possible exception of intragroup positions), the requirements would imply an additional level of detail.

<sup>108</sup> See International Financial Reporting Standard 5, "Non-current Assets Held for Sale and Discontinued Operations".

<sup>109</sup> See [Regulation 451/2021](#) (ITS), Annex V, Part 1.3.

<sup>110</sup> The measurement rules do not change for financial instruments classified as held for sale under IFRS 9. See IFRS 5.5, point (c).

<sup>111</sup> See [Regulation 451/2021](#) (ITS), Annex V, Part 1.34.

<sup>112</sup> See [Regulation 451/2021](#) (ITS), Annex V, Part 2.172-174.

<sup>113</sup> International Financial Reporting Standard 13, "Fair value measurement", requires a classification of assets and liabilities measured at fair value in three different levels (levels 1, 2 and, 3). See IFRS 13.72.

<sup>114</sup> If national GAAPs under BAD require assets measured at fair value to be allocated between different levels of fair value, institutions under national GAAP must also report this information. See [Regulation 451/2021](#) (ITS), Annex V, Part 2.177.

<sup>115</sup> See [Regulation 451/2021](#) (ITS), Annex V, Part 2.120-144.

**Proposed scenario:** FINREP solo concepts not available in the IReF baseline would be included in the reporting.

Respondents are kindly invited to assess the costs and benefits of the proposal, bearing in mind that introducing new concepts may impact differently depending on the granularity of instrument types.

**Question 6.5**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Advances that are not loans – granular collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advances that are not loans – aggregated collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instruments that are part of a disposal groups classified as held for sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gross carrying amount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maximum amount of the collateral or guarantee that can be considered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fair value hierarchy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Derivatives requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 6.6**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Advances that are not loans – granular collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advances that are not loans – aggregated collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instruments that are part of a disposal groups classified as held for sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gross carrying amount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maximum amount of the collateral or guarantee that can be considered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fair value hierarchy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Derivatives requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 6.7

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Advances that are not loans – granular collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Advances that are not loans – aggregated collection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Instruments that are part of a disposal groups classified as held for sale	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gross carrying amount	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Maximum amount of the collateral or guarantee that can be considered	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fair value hierarchy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Derivatives requirements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 6.3 Extensions related to off-balance-sheet items vis-à-vis natural persons

The household counterparty sector is very important for monitoring the level of bad loans and irrevocable off-balance-sheet items subject to credit risk for financial stability purposes. Collecting granular information on off-balance-sheet items vis-à-vis natural persons would support the analysis of such relevant aspects and close another gap with FINREP. The information could be collected aggregated or granular. In the latter case, the data would also be very relevant for micro prudential purposes.

In the event of granular data collection, in line with the proposal in Section 3.1, information on loans to natural persons would be collected in an anonymised form with a technical identifier – i.e. not requiring the actual identification of the counterparty.

**Proposed scenario:** Data on off-balance-sheet items vis-à-vis natural persons would be collected in IReF.

Respondents are kindly invited to assess the costs and benefits of the proposal, bearing in mind that introducing new requirements may impact differently depending on whether the information is collected on an aggregated or granular basis.

### Question 6.8

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 6.9

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### Question 6.10

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
<b>Granular data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Aggregated data</b>						
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 6.4 Dynamic adjustment of IReF to changes in the EBA Implementing Technical Standards (ITS)

The IReF Regulation aims to fulfil the statistical data needs arising from Eurosystem tasks. Nevertheless, several concepts defined in the supervisory regulations are also used to fulfil statistical requirements. Making multiple use of supervisory concepts fosters comparability between collections for statistical, supervisory and resolution purposes and is essential for broader integration in future. In addition it simplifies the process for reporting agents, as they can simply refer to the same source, reducing the cost burden on them.

Alignment with CRR, EBA ITS on supervisory reporting and FINREP solo could be strengthened whenever this fits the scope of IReF by introducing a dynamic amendment to IReF subdomains (e.g. the new EBA ITS forbearance categorisation) or reporting instructions (the methodological notes that underlie the IReF reporting).

IReF would then be adapted without a detailed assessment of the costs and benefits. More significant changes such as the inclusion of new attributes would also not be covered by the dynamic alignment rule.

**Proposed scenario:** Provided it does not affect fulfilment of the Eurosystem tasks required by statistical standards, the IReF subdomains and reporting instructions will be amended dynamically to reflect updates to the ITS, CRR and/or FINREP solo.

Respondents are kindly invited to assess the costs and benefits of the proposed scenario.

**Question 6.11**

Please provide an assessment of the **implementation costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 6.12**

Please provide an assessment of the **regular costs** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Question 6.13**

Please provide an assessment of the **benefits** of the proposed scenario.

	None 0	Very low 1	Low 2	Moderate 3	High 4	Very high 5
Proposed scenario	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## 6.5 Additional considerations

This section has so far assessed the costs and benefits of detailed scenarios regarding closer alignment between IReF and FINREP solo. Respondents are invited to indicate in open text any additional considerations they may wish to offer on the approach proposed on the topics covered in this section.

**Question 6.14**

Please indicate any additional observations you may have on the topics covered in this section.

<open text, voluntary>

<filter: credit institutions / other deposit-taking corporations / banking associations / service providers>

## 7 Final considerations

The questionnaire has so far assessed the costs and benefits of detailed scenarios regarding the extension of the IReF Regulation to cover country-specific requirements, additional features to optimise the IReF analytical value, the operationalisation of the IReF reporting, and closer alignment between IReF and FINREP solo. As a final step, respondents are invited to indicate in open text any additional considerations they may wish to offer.

### **Question 7.1**

Please indicate any additional observations you may have on the IReF.

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<open text, voluntary>

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