Financial information: Promoting Data Sharing

Bruno Tissot
Head of Statistics and Research Support, Bank for International Settlements (BIS)
Secretary of the Irving Fisher Committee on Central Bank Statistics (IFC)

Financial Information Forum of Latin American and Caribbean Central Banks
II Meeting, Session 6, Lisbon, 6 May 2016

The views expressed are those of the author and do not necessarily reflect those of the BIS or the IFC.
1. Growing requests for sharing data...

- Great Financial Crisis showed that (non-confidential) data is a **public good**
- Rising public demand to publish more and revisit confidentiality rules: “**broad sharing**”
- Increased demands to access non-public information by specific users eg other national/foreign data compilers, policy makers, academia: “**narrow sharing**”
1. ... to better exploit available information...

- Make **more data available** to a wider range of users
- Limit **reporting burden** in a post-crisis context marked by the launch of various data collections
- **Richness of existing** (administrative) datasets
- **Private sector leading** by example (internet data)
1. ... with a new data frontier...

- **Granular** data eg institution-level information
- **Distribution** of macro indicators across groups
- Precise accompanying **metadata**, to better understand the information available
- **New, expanding data** sources (big data)
1. ... and to address evolving users’ needs

- **Post-crisis policies** focussing more on institution level information (financial regulation, macro prudential tools, unconventional monetary policies)
- **Interconnections** between market segments while authorities remain segmented
- **Cross-border spillovers** while data remain based on national frameworks
- Need for **global indicators** that are not just the aggregation of national data
2. International recognition of the micro data benefits...

- “Pure”, macro-relevant micro information
- Distribution of indicators within a population
- Better macro, SNA-type statistics
- Support of (increasing) evidence-based policies
- New possibilities in economic thinking

*BIS nationality-based datasets, not aligned with traditional residency-based statistics, requiring access to granular information*
2. ...of the users’ needs...

- Make data available to a wider range of users
  - Within countries
  - Across countries
  - Globally, ie including international organisations
  - With specific groups eg academic researchers, civil society

Multiple dimensions of data sharing
2. ...and of sharing possibilities

- Data can be shared more
  - **Cumbersome** nature of existing arrangements
  - **Cultural reluctance** to data sharing: easier just to say ‘No’
  - **Outdated** confidentiality constraints
  - **New techniques** eg data anonymization
  - **New arrangements** eg access to researchers

*More data sharing agreements*
3. Ongoing initiatives to promote data sharing

- Independent review of UK economic statistics (C Bean, interim report, Dec 2015)
- **Data Gaps Initiative** Phase II Rec.20: Promotion of Data Sharing

To promote the *exchange of data* and metadata among and within G-20 economies, and with international agencies, to improve the quality of data, and availability **for policy use**

To increase the sharing and accessibility of granular data, if needed by revisiting existing **confidentiality constraints**
4. Central banks’ initiatives: mobilising the IFC network

- Irving Fisher Committee on Central Bank Statistics (IFC)
- 2012: IFC Task Force on Data Sharing chaired by A Schubert (ECB)
- Report on *Data-Sharing: issues and good practices between statistical and supervisory authorities* (January 2015)

**DGI II Action plans:**

- Update and extension of IFC work (statistical offices)
- Survey in association with CEMLA
- International conference to exchange experiences
5. The 2015 IFC report on data sharing- Mandate

- Aimed at **improving data sharing** between statistical organisations at the national and international level
- **Took stock of existing practices** regarding the sharing of data, in particular with respect to banks’ balance sheets and activities
- Used **case studies** to gain understanding
- **Provided practical guidance** on improving data sharing
5. IFC report on data sharing - work of the TF

<table>
<thead>
<tr>
<th>Clarifying the scope</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Data sharing between <em>supervisors and statisticians</em> – in the same or between organisations</td>
</tr>
<tr>
<td>• At the <em>national level</em> – international not explored</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Identification of the benefits, including</th>
</tr>
</thead>
<tbody>
<tr>
<td>• More comprehensive set of information for all decision-makers</td>
</tr>
<tr>
<td>• <em>Reduction of reporting burden</em> and reluctance of bank to provide data</td>
</tr>
<tr>
<td>• <em>Cross fertilisation</em> across functional areas</td>
</tr>
<tr>
<td>• Better <em>transparency</em> and accountability</td>
</tr>
<tr>
<td>• More coherent set of data =&gt; <em>higher quality</em></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Identification of the impediments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Legal constraints</td>
</tr>
<tr>
<td>• Confidentiality issues</td>
</tr>
<tr>
<td>• Cultural and organisational</td>
</tr>
</tbody>
</table>
5. IFC report on data sharing - practices

Silo
- No data sharing
- No cooperation

Intermediate
- No data sharing, but coordination on methodologies
- Partial data sharing (aggregated information and no coordination)
- No data sharing but full coordination of storage and requirements
- Data sharing but no coordination
- Joint data base, though siloed
- Other cases?

Full integration
- Full cooperation in methodology and joint data storage
- Full reciprocal data sharing (including confidential information)
5. IFC report on data sharing – 6 recommendations

- Establish communication with stakeholders, seek proper institutional endorsement
- Ensure a clear legal basis to support data sharing
- Establish a fully-fledged cooperation at all levels
- Collect common data using joint methodological and technical standards
- Ensure sound measures to protect confidential information
- Formalise governance and cooperation arrangements
5. IFC report– Key messages for central banks

- **Argue more strongly and also in public** the business case of data sharing
- **Raise data sharing issues at the highest level** to gain institutional endorsement
- **Propose services of the central bank statistical department to supervisors** to facilitate data sharing and data cooperation
- **Persevere** as improving data sharing and cooperation does not always work from the first time; sometimes a second-best solution should be accepted, at least initially
- **Benchmark the national situation** with those of other countries
- **Tailor-made solutions needed**, no single best practice