Data sharing: what, why and how? The BIS experience

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Overview

- **What** is meant with “data sharing”?
- **Why** is it important?
- **How** to proceed?
- Data sharing is **possible** – the BIS experience
- Challenges & **lessons**
1. What is meant with “data sharing”? *Sharing*...

- Different scopes
  - General sharing: (non-confidential) data is a **public good but is not made sufficiently available**
  - 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. What? *Sharing... with different users...*

- Make data available to a wider range of different users
  - Within **institutions**
  - Within **countries**
  - **Between** countries
  - **Globally**, ie including international organisations
  - With **specific groups** eg academic researchers, civil society
1. What? *Sharing with different users ... specific information...*

- Terminology agreed in the context of G20 work
  - **Aggregated data**: low likelihood of identification of individual reporting units eg traditional datasets
  - **Disaggregated data**: higher likelihood of identifying individual reporting units
  - **Micro data**: data on individual reporting units or specific transactions/instruments - confidential in most cases as the identification of individual entities is possible
1. What? *Sharing with different users specific information... for different purposes*

- Need to exchange different types of information – BIS experience
  - Full granular data, **non-anonymised**
  - Full granular data, **anonymised**
  - Aggregate data, but **restricted**
  - **Qualitative** information, confidential
  - **Non-confidential** data & information
2. Why is data sharing important? *To address new information needs*...

- Post-crisis **policies focus** more on institution-level information & distribution of indicators
  - financial regulation, macro prudential tools, unconventional monetary policies
- **Interconnections** between markets but authorities are segmented
- **Cross-border spillovers** but data are based on national frameworks
- Need for **global indicators** that are more than the aggregation of national data
2. Why? To address new information needs... especially on the global financial system...

- **Role of** **globally active financial institutions** during the crisis
  - Systemic nature & inter-related risk dimensions
  - Poor understanding of the financial network, hampering policy responses
  - Need for collecting global information and sharing it

- **Policy** focus
  - Identification of global systemically important financial institutions (G-SIFIs)
  - Regulation: specific capital requirements
  - Supervision: collection & sharing of data for systemic banks (G-SIBs)
2. Why? *To address new information needs especially on the global financial system and... make better use of available data...*

- 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
- Take advantage of the richness of **existing** (administrative) datasets
- Mobilise **new private** sector datasets (internet data)
2. Why? To address new information needs especially on the global financial system and make better use of available data... as recognised by the global community

- 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 **confidentiality constraints**
3. How to improve data sharing? *General direction*...

- Recommendations developed in the DGI context
  1. Promoting the use of **common identifiers**
  2. Promote the **exchange of experience** on work with granular data and improve transparency
  3. **Balance** confidentiality and users' needs
  4. **Link** different datasets
  5. Provision of data at the **international** level
  6. Consider ways of improved data **sharing of granular data**
  7. **Collection** of data only once
3. How? General direction... to be complemented by focussed approaches...

- The 2015 IFC report on data sharing between central banks and supervisors
  - Aimed at improving data sharing between statistical organisations at the national level
  - Focus on central banks statistical units and supervisory bodies
  - Stock-taking of existing practices
  - Use of case studies to gain understanding
  - Provided practical guidance on improving data sharing
3. How? General direction to be complemented by focussed approaches... with key action points

- IFC Report recommendations for central banks:
  - Argue more strongly and in public the case of data sharing
  - Raise issues at the highest level to gain institutional endorsement
  - Propose services to supervisors to facilitate data sharing
  - Persevere: data sharing not always work from the first time, and second-best solutions have merits, at least initially
  - Benchmark national situations
  - Tailor-made solutions needed, no single best practice
4. Data sharing is possible – the BIS experience (IBS)

- BIS International Banking Statistics (IBS)
  - Worldwide positions of internationally active **banking groups**
  - On a **residency and on consolidated** basis
  - **Aggregate** (banking system) level, not individual bank level
  - Depending on confidentiality level, **shared** publicly or among data reporters
  - **Home-host** reconciliation: the banking list exercise
4. Data sharing is possible – the BIS experience (QIS)

- **Quantitative Impact Studies/Analyses (QIS/QIA)** by Basel groups

- Data collection exercises to assess whether standard-setters have met their goals in *setting regulation* ie by:
  - Gauging the impact of the proposed rules
  - Assessing differences across entities with differing risk profiles

- QIS and international **data sharing**
  - Sharing of anonymized/aggregated results
  - Shared among the members of Standard Setting Bodies
  - Some form of (aggregated) publication
4. Data sharing is possible – the BIS experience (IDH)

- G-SIB data collected by BIS-hosted **International Data Hub** (IDH)
- Includes funding/credit exposures data:
  - On a **bilateral basis** (institution to institution (I-I)): shared among data reporting jurisdictions
  - **Aggregated on the counterparty level** (institution to aggregate (I-A)): to be shared more widely, including with IFIs with financial stability mandate, on an anonymised/aggregated level
- **Harmonised collection** of data
  - Multilateral Framework (collection & sharing arrangements)
  - Governance Group oversees information pooling and sharing
5. Challenges & lessons

- **Confidentiality**
  - Market sensitive information
  - Third parties
  - Different rules across countries

- **Issues related to practical arrangements**
  - Statistical templates
  - Operational (IT, security, communication)
  - Legal infrastructure
5. Challenges & lessons

- **Use** of the data
- Information arrangements are **data-dependant**
- Sharing is a **trust-building** exercise
Thank you!!

Questions?

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