



European Central Bank
Division Monetary and Economic Statistics
Taunustor 2
60311 Frankfurt am Main
Germany

13 March 2020

Consultation on amendments to the Regulation on MFI balance sheet statistics

Dear Sir or Madam,

We appreciate the ECB's policy to hold public consultations prior the adoption of new statistical reporting requirements and we gladly take this opportunity to present our thoughts on the draft ECB Regulation amending Regulation (EU) No 1071/2013 of the ECB of 24 September 2013 concerning the balance sheet of the monetary financial institutions sector (recast) (ECB/2013/33).

The Association of Foreign Banks in Germany represents the interests of currently more than 200 foreign banks and other financial services institutions which operate in Germany via subsidiary or branch. Almost all member institutions are therefore obliged to report the MFI balance sheet information to the competent national central bank (NCB), i. e. the Bundesbank.

All in all, in the area of statistical reporting, the institutions are still strongly engaged in the final implementation of AnaCredit. Additionally, the envisaged reform of the reporting requirement for the payments statistics will surely create the need for extensive implementation projects within the banking community, too.

Therefore, the Association strongly recommends to reduce additional bureaucratic burden for the banking industry and proposes in this regard some useful amendments to the draft regulation. We hope, these insights will be helpful for the finalisation of the ECB regulation. Please do not hesitate to contact us if you have any questions.

Kind regards,

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Representation of interests of
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**Detailed comments and proposals of the Association of Foreign Banks in Germany
on the draft ECB Regulation amending Regulation (EU) No 1071/2013 of the ECB of
24 September 2013 concerning the balance sheet of the monetary financial institutions sector
(recast) (ECB/2013/33)**

Art. 2 and 3 – Amendments to the implementation dates

PROPOSALS:

a) Article 2 shall be amended as follows:

"Reporting agents shall continue to report certain items of the balance sheet information on a quarterly basis, in accordance with the third sentence of Article 5(1) of Regulation (EU) No 1071/2013 and as specified in Annex I to that Regulation, until 31 ~~May~~ December 2021."

b) Art. 3 sent. 2 shall be amended as follows:

"It shall apply from 1 ~~May~~ January 20212."

c) Art. 3 sent. 3 shall be amended as follows:

"However, Article 1(3)(b) shall apply from 1 ~~July~~ March 20212."

Reasoning:

The bureaucratic burden that will affect the reporting institutions could be alleviated in one way: to postpone the proposed amendments to the ECB regulation to the beginning of the year 2022. On the one hand, the institutions obliged to report will have more time to adapt their internal IT and core banking systems, data households and reporting software, and, on the other hand, they can carry out the project to implement the amended reporting requirements under the premise that the whole reporting for the calendar year 2021 can still be conducted according to the current status of reporting requirements. Therefore, the wording in Article 2 and 3 shall be amended with new implementation dates.

Annex 1, Table 1 – Amendments to the mandatory reporting information

PROPOSAL: The maturity breakdown reporting items for loans in Euro to non-financial corporations (S.11) in the Euro area (but other than domestic) should be deleted: "up to 1 year", "over 1 year and up to 2 years", "over 2 years and up to 5 years", "over 5 years" (cf. cells "2e of which euro").

Reasoning:

In order to gain information of loans granted to non-financial corporations by the reporting institutions, instead of enlarging the reporting concerning the MFI sector balance sheet, there should be an evaluation if this information could alternatively be retrieved from the ECB's AnaCredit database. In general, the institutions obliged to report the balance sheet items of the monetary financial institutions sector are also obliged to report granular loan data under

AnaCredit. AnaCredit does, of course, inter alia cover Euro loans to non-financial corporations, both located in the Member State of the reporting institution or in other Euro area countries. And as Ana Credit's granular loan reference data also include the maturity of the instruments, there is a possibility to deduct from this data pool the proposed maturity breakdowns. It is clear that using data that has already been collected for other statistical reporting reasons does, on the one hand, represent the central banks' approach to "collect data only once", and, on the other hand, will lead to a reduced implementation burden for the institutions obliged to report. Therefore, the proposed maturity breakdowns (: "up to 1 year", "over 1 year and up to 2 years", "over 2 years and up to 5 years", "over 5 years") should not become part of the final ECB regulation.