FEDERATION
BANCAIRE
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Banking supervision
And Accounting issues Unit
The Director

Paris, November 8th 2011

FBF Response – FSB Consultation Paper on a Common Data template for Global Systematically Important Banks

Dear Sir,

The French Banking Federation (FBF) is the professional body representing the interests of the banking industry in France. Its membership is composed of all French and foreign based credit institutions authorized as banks and doing business in France, i.e. more than 450 commercial and cooperative banks. FBF member banks have 40,000 permanent branches in France. They employ 400,000 people, and service 60 million.

The FBF is pleased to respond to the Financial Stability Board consultation on a Common Data template for Global Systematically Important Banks and appreciates the opportunity to provide its view on the issues raised in the document.

First of all, we found that **the comment period of 30 days was too short** compared to the complexity and the wide spread of information to comment on. As a consequence, please note that this short period of consultation has only allowed banks to provide responses based on a general assessment and their own understanding of what is proposed. Moreover, as few specifications have been detailed and explained in the Consultation Paper, we have considered that as data requested in the Consultation Paper are reported for prudential purposes, these data are established on the basis of a prudential scope of consolidation. It includes all significant entities but treats the non-financial activities including the insurance companies according to the equity method, as risks are better represented. The definition of the scope is crucial to appreciate this project. The choice of a non prudential scope would results in disproportionate costs.

Having said that, we understand that the FSB's objective is a better understanding of financial linkages and the removing of gaps of information for an enhance resilience of the global financial system which is seems to be a common goal for FSB and EBA (and BCBS).

Mr Svein ANDRESEN
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Therefore, **we would very much welcome a coordination of all reporting needs between FSB and EBA.** Moreover, we would like to explain our concerns on some particular matters that are summarized as follows:

- Some of the collected data are subject to various bank secrecy acts and cannot be transmitted to anyone else than the entities' home supervisors. The Consultation Paper raises confidentiality concerns. We would like to highlight **that regulators and macro prudential authorities should ensure financial institutions of the complete confidentiality related to prudential sensitive data**. Besides, legal arrangements governing access and confidentiality related to disclosure of prudential sensitive data should be driven by the principle of consensus and reciprocity within the G-20 countries in order to ensure a level playing field among financial institutions of those countries.

- **Level playing field should also be ensured on the matter of the scope of the implementation of the reporting framework among systemically important global financial institutions**. Data requirements should be equally applied to all of G-SIBSs without any limitation based on geographical scope.

- Part of information required in the template overlaps what is already provided to national supervisors at micro prudential level, and to the central banks for macro data. To that end, there is a need for a **convergence with existing reporting and clarification of data transmission channels**.

- Given the volume data and the granularity of the breakdowns required in the Consultation Paper, frequency and reporting lag suggested take time to reach and would **require important changes and improvement in banks' information systems**. Moreover, we would like to highlight that any new additional data or expansion of the scope of requirements implies additional costs of implementation and **interfere with the implementation projects conducted currently by banks in order to meet notably the Basel III / CRD 4 requirements under calendar pressure**.

- Ad-hoc requirements should be required exclusively on exceptional circumstances. Exceptional circumstances should be appropriately expressed and shared by the industry and authorities. Ad-hoc requests should be clearly defined.
  Furthermore, **we are opposed to a passive data process as it implies the same process (workload, cost) as active data to ensure data quality and availability without proving any benefits.**

You will find in the annexes attached our general comments and our concerns to the issues raised in the Consultation Paper.

We thank you for your consideration of our remarks and remain at your disposal for any questions or additional information you might have.

Yours sincerely,

Jean-Paul CAUDAL

Appendix –
Answers to listed questions
FSB 6/10/2011 Consultation Paper "Understanding Financial Linkages: A Common Data Template for Global Systemically Important Banks"

Contents

1 General comments on the FSB Consultation Paper

The data collection objectives

The FSB initiative tries to answer the need of more information on the G-SIB exposures to various risks when actions were to be decided during the 2007/2009 crises. The contemplated data collection covers a wide area of concern but miss to explain how this data can truly help in making decisions. In most instances the FSB request overlaps with the micro prudential data and the macro data collected by the home supervisors for the central banks.

A lot of attention has been paid to the "macro" matters with the creation of specific bodies in charge of these issues at European levels. We would like to highlight that understanding data thanks to an intimate knowledge of the banks and their markets is probably even more important than the availability of crude and aggregated data.

Moreover, as few specifications have been detailed and explained in the Consultation Paper, we have considered that as data requested in the Consultation Paper are reported for prudential purposes, they are established on the basis of a prudential scope of consolidation. It includes all significant entities but treats the non-financial activities (including the insurance companies) according to the equity method, because our risks are better represented. The definition of the scope is crucial to appreciate this project. The choice of a non prudential scope would lead to a disproportionate cost.

Cost, efficiency and confidentiality

The FSB paper is raising many time, cost and confidentiality concerns. We claim that what is really costly if not perfectly inefficient is to gather data similar but not identical, with different frequencies and dates of remit, for multiple bodies sharing the same objectives. Moreover some of this data is covered by various banks' secrecy acts and generally cannot be transmitted to anyone else than the firms' supervisors.

The cost of implementing such reporting is heavy for banks . The improvement of the bank's own risk management cannot be linked to additional reporting but to the improvement of the bank's data system. From a bank's perspective, an efficient reporting system should endeavour to fulfil the objectives of reporting while permitting integrated corporate reporting systems, based on the institutions'/groups' existing internal reporting systems

On this ground, the Consultation Paper does not specify how the FSB intends to collect these reports. An isolated data gathering exercise does not appear to be the most efficient way to go forward. We would strongly advise the FSB to achieve the G20's objectives through the coordination of the multiple initiatives launched by the Central Banks for the macro oversight and Home Supervisors for the micro oversight of G-SIB's. Each home authority should be the only data gathering body for G-SIB in order to practically ensure both confidentiality and the avoidance of duplication. Efficient reporting channels already exist such as the so-called "One Gate" entrance to supervisors and should be used in priority.

Considering the confidentiality issue as well as the costs and constraints that banks will support to produce these reports, it is of the most importance that such regulatory requirements be equally applied to all G-SIBSs, in order to avoid competition disadvantages.

2 General overview of the answers

The banking industry is committed to complying with the regulators requests for new or enlarged reporting on its activity. The banking industry is indeed currently working on implementing a number of regulatory initiatives.

2.1 Reporting on credit exposure data

A sizeable quantity of the credit data requested in the collection of the FSB Consultation Paper is already produced, or planned to be produced in the coming developments of the regulatory reporting.

The institution-to-institution data collection proposed by the Consultation Paper is similar in essence to the already produced reporting on Large Exposures, where all business groups (capitalistic and economic dependency links) with a significant consolidated credit exposure are reported to national supervisors across Europe. However, this Large Exposures reporting does not present exactly the same metrics and instrument breakdown.

The institution-to-aggregate data collection proposed by the Consultation Paper is similar to the BIS reporting that is currently being updated. It is worth noting that this reporting is also converging to the 2012 version of the COREP reporting.

Even if based on similar data, the co-existence of several reports implies a higher production workload to manage the very specificities of each report and reconciling them. The reconciliation of the reports is a key issue as it is requested by the supervisors themselves. Therefore we ask for a convergence on a unique reporting template for more efficiency. This template should be based on the same scopes and metrics as the Large Exposures and the BIS reports.

Moreover, the scope of the proposal needs to be clarified with more precise guidelines, whether it deals with credit and counterparty exposures only, or it also includes the issuer risk.

2.2 Forthcoming production of funding data reporting

While the focus has been given to credit exposures these last ten years, funding was a concern neither to the industry nor to the regulator until recently, and most banks are not equipped with consolidated reporting tools to report information on their funding providers. Many banks are however in the process of building these tools.

Indeed, the Basel Committee on Banking Supervision (BCBS) developed two standards for funding liquidity in order first, to promote short-term resilience of a bank's liquidity risk profile (Liquidity Coverage Ratio - LCR) and secondly, to promote resilience over a longer time horizon (Net Stable Funding Ratio - NSFR). On this respect, European banks will have to comply with the European transposition of Basel III recommendation. The current CRD-IV draft under study at the European Parliament and the Council will require a monthly reporting of the liquidity standards.

Therefore, in order to comply with the liquidity ratios requested within the Basel III – CRD IV regulatory framework by 1st January 2013 on a monthly basis, banks will have to gather data that partially overlap those requested by the Consultation Paper in the institution-to-aggregate funding reporting. Should the information listed in the FSB consultation paper be similar to the information gathered in these ratios, the FSB report might be achieved on a monthly basis after CRD-IV reporting is operational.

However, the type of breakdowns requested for the institution-to-aggregate reporting (especially by country and by sector) as well as the granularity imposed for the institution-to-institution reporting require a deeper granularity than what is strictly necessary to produce liquidity ratios. Thus, banks' current reporting projects do not necessarily target a collection with such level of detail as their current main concerns are focused on meeting the Basel III / CRD IV requirements under calendar pressure. Obtaining such granularity on a consolidated basis implies not only additional specification to existing projects already overloaded and under progress, but it implies larger and longer projects that will even exceed and interfere with the Basel III / CRD IV 2013 milestone.

We would very much welcome FSB and EBA to coordinate their reporting requirements in order to better understand the differences between the two reportings that in fine have the same scope.

In that respect, we find that the timetable proposed by the Consultation Paper is difficult to achieve while in the same time all the efforts are concentrated to meet the current regulatory requests.

We would welcome that formal and precise requests would be formulated and a detailed document issued from FSB or EBA as soon as possible. It would allow us to see which add-on are to be included into Basle III / CRD-IV report in order to fulfill FSB and EBA requirements, due to the strong cost impacts they might have on the coming implementations.

2.3 Reporting production time scale

It should be highlighted that existing reporting tools and processes aim at providing regulatory reporting with a high level of quality. This objective requires the collection of data from local entities or business lines and its consolidation at the group level, in addition to the performance of controls and analysis at the local and group levels, that are time consuming. Such a structured reporting framework is relevant for both credit exposures and funding data to ensure the appropriate level of quality required by the supervisor. We believe that the quality of the data is key point for their use as monitoring, supervisory and statistic purpose.

On the asset side, the issuer risk is followed on a daily basis through market models focused on present values and limits, whereas credit and counterparty risk is managed through a delegation process from central to local entities and controlled through a periodical reporting process. Hence, the issuer risk is not aggregated daily with credit exposures, which has a monitoring frequency that is not as tight due to the very nature of the credit risk.

On the liability side, banks monitor their funding with treasury systems that provide a daily vision of the funds collected on behalf of the Group treasury activity. Besides, these tools have been designed to fulfill timely internal needs and not an external granular standard template. However, they do not cover the full scope of the Group funding providers, since a part of funding is provided by the commercial banking activity that collects deposits across its branches, all around the world. As a consequence, these tools are not appropriate to provide the reporting requested by the FSB.

Reporting data on the full scope, including commercial and retail banking activities, requires structured collection and consolidation tools and processes across the Group, which are time consuming.
These considerations imply that a weekly frequency and a 3-day production lag are out of reach, as it would not allow the collection process and the complete range of controls to be fully performed and as it would undermine providing high quality data.

The only data available on a weekly basis is the data used for monitoring purposes. However, this data does not fulfill the regulatory reporting requirements. Monitoring tools are focused on specific business lines or perimeters and do not aim at covering the complete scope of the bank. It does not provide the full scope of required breakdowns and does not benefit from the quality and consistency of controls performed along the production chain of reporting.

Beyond the technical obstacles to provide the data, we do not understand the reason for requiring weekly reporting and we wonder to what extent it helps reaching the objectives assigned to the FSB.

As far as monthly frequency of the liquidity report is concerned and as stated in paragraph 2.2., we believe that should the information gathered in the FSB Consultation Paper be similar to the information required by the liquidity ratios, a monthly frequency could be achievable after CRD IV reporting is operational. Therefore, we encourage the FSB and EBA to coordinate their requests to avoid overlaps with existing and planned reporting requirements.

2.4 Benefits for the G-SIBs risk management

Banks developed and improve internal tools and processes in order to manage credit and funding risk across their activities. Those tools are designed to fit their internal organization and their various activities and they are based on business lines whereas regulatory reporting is collected at on a consolidated group level and aims to capture, through granular data, a collective understanding of the activities of wide range entities. These reportings might allow completing bank's view of the risk but will not be used in place of internal tools to monitor risk. As such, standard reporting templates cannot be understood as a way to improve the banks' risk management.

2.5 Restrictions to the present answer

We very much appreciate the opportunity to comment the FSB Consultation Paper and bring forward the views of the banking industry. Therefore, we took particular care in answering the detailed questions and providing factual explanations to support our views.

However, the FSB should be aware that we could not base our response on detailed analysis considering the short-noticed period.

Besides, the Consultation Paper does not always provide detailed specifications in its requirements and we had to make some assumptions.
In particular, we have assumed that the requested reports cover the prudential scope, excluding non-financial activities and insurance companies.

Similarly, the levels of cost and the appreciation of the implementation timing have been estimated on our best understanding and could be significantly revised depending on precise definition of requested data.
Once the banking industry is provided with more specifications, additional time will be needed to update cost and timing estimates.

3 Answers to the listed questions

3.1 *Bilateral credit exposures to top 50 counterparties (Table 2A)*

Table 2A. Bilateral credit exposures to top 50 counterparties	
Indicative timing:	End 2012
Dimensions:	• Instrument (8)
Crossings of data[29]**:**	None
Frequency:	Weekly OR Monthly
Reporting lag:	3 days
Details of Breakdowns:	**Instrument:** Lending incl. contingent credit lines (excl. short term Money Market instruments), Securities lending, Repo, Money Market placements including interbank funds, Marketable debt and equity securities, Credit hedges, Derivatives exposures, Unsecured settlement/clearing lines
Metrics:	Principal amounts, gross marked to market (MtM)[30] exposures, collateral, net MtM[31] exposures, potential future exposure

Q1. Institution-to-Institution counterparty credit data: What are your views in terms of additional costs on a scale of 1-5 (1 being little or no cost and 5 being extremely costly) on the proposal to collect data on the principal counterparty credit exposures according to the above Table 2A, and please explain the reasoning behind the score ? What would be the marginal benefits of these data for your own risk management and monitoring? Would the costs and benefits be altered significantly by an alternative scope or timetable, and if so please explain why?

As mentioned in the introduction, the institution-to-institution exposures data collection is similar to the already produced European reporting on Large Exposures (and recently reviewed):

- Scope of all business groups (capitalistic and economic dependency links) with a significant consolidated credit exposure
- Metrics of principal amounts and collateral for lending and securities
- Metrics of principal amounts, collateral, gross and net MtM metric for derivative exposures and AFS securities

It is crucial to avoid duplicate reporting on similar data. Hence, we propose the bilateral credit exposures reporting to be based on the existing Large Exposures reporting, using the same metrics and possibly enriched with additional breakdowns (only necessary for the breakdown of instruments). Moreover, it would be an economic no sense to indicate data related to internal counterparties.

Additional cost: 3 (if converged with Large Exposures reporting)
Although most of the data required is similar to those reported in the Large Exposures reporting, the collection of data described in table 2A would require some IT changes and an additional workload by the reporting production organization.

Cost of monthly reporting: 5
The cost of implementing monthly reporting is very important as it would imply a significant change in the production process :

- The setup of a monthly reporting feed from subsidiaries and local sites
- An important change management within the business lines and local sites to control and provide the necessary data on a monthly basis
- The setup of new resources and a new organization in the central reporting production organization

Marginal benefits for risk management and monitoring:
No benefits expected as the monitoring of large exposures is already in place.

Impacts of an alternative timetable:
Even if the requested data is already available, producing such a collection before the end of 2012 is very hard to achieve since additional breakdowns are requested to the existing Large Exposure reporting (IT implementation, development of reporting requests and change management). The transition from the current quarterly frequency to a monthly target frequency would be a further complication as it implies a review of the whole collection and consolidation process, and would even postpone the complete implementation.

Q2. Number and identification of counterparties: What would be the marginal cost on a scale of 1 to 5 of increasing the sample by say 10 additional counterparties (from 50 to 60), and of reporting exposures to 10 additional counterparties named by the authorities? If the marginal cost is judged significant please explain why?

Cost increase: 3
The number of reported counterparties would be a production parameter and its value would thus have no significant impact on the production cost of the collection, but an additional workload must however be allocated for controls.

Additional information on counterparties specifically identified by the Authorities, if not already in the Large Exposures reporting's scope, would imply additional costs.

Q3. Frequency of reporting: On a 1-5 scale what would be the cost increase for collecting the data weekly rather than monthly? Are there any specific data elements that have a major bearing on the costs, ie where the cost would be significantly increased were the data collected weekly?

Cost of weekly reporting: N/A
As mentioned in the introduction, a weekly reporting is not feasible and the benefits of such a frequency is questionable.

Q4. Are all the proposed instrument breakdowns and metrics currently available? Are the definitions clear and comparable across legal entities? If not, please identify which and using the 1-5 scale, indicate how costly it would be to comply with the proposal?

Cost of instrument compliance with the proposal: 4
Usually, the proposed instruments' types are available in the consolidated credit risk reporting databases. However, IT changes might be needed to exactly match the instrument breakdowns, depending on the precise definition to be provided.

Cost of metrics compliance with the proposal: 4
The metrics to be used in this reporting should correspond to those used in the Large Exposures reporting. Requesting other metrics would have a very costly impact, as the Information System would have to be updated in an important number of ways and places to fulfil such a request.

Q5. Reporting lag: Is the proposed reporting lag of 3 days achievable for all banks? Would the costs and benefits be altered significantly by an alternative lag, and if so please explain why?

Cost of a 3-day lag reporting production: N/A

As mentioned in the introduction, a 3-day reporting production lag is not feasible

3.2 Funding dependencies on 50 individual funding providers (Table 2B)

Table 2B. Funding dependencies on 50 individual funding providers	
Indicative timing:	End 2013
Dimensions:	• Instrument (5) • Residual Maturity (3 to 5)
Crossings of data:	• In x Ma (ie reporting each instrument by maturity)
Frequency:	Weekly OR Monthly
Reporting lag:	3 days
Details of Breakdowns	**Instrument:** Wholesale Deposits, Securities lending & repo, ABCP, CP, Other short-term funding **Maturity (3):** less than 1 month, 1 month-1 year, over 1 year **Maturity (5):** on demand, overnight to 1 month, 1-3 months, 3 months-1 year, over 1 year
Metrics:	Principal amounts

Q6. Institution-to-institution funding data: What are your views in terms of marginal costs on a scale of 1-5 on the proposal to collect data on top 50 bilateral funding providers according to table 2B, and please explain the reasoning behind the score? What do you see as the main costs and benefits of collecting such data according to the above template? Would the costs and benefits be altered significantly by an alternative scope or timetable, and if so please explain why? Please supply any comments on the following detailed elements of the proposal:

Gathering funding data is much more of an issue than gathering data on credit exposures as the focus has been placed on reporting on assets much more than on liabilities these last years. Therefore, collection and consolidation processes are not yet as developed on funding data than on assets.

As mentioned in the introduction, funding data is planned to be consistently gathered and consolidated by 1st January 2013, with the implementation of systems that will contribute to Basel III / CRD IV liquidity reports. However, liquidity ratios do not require data at a counterparty level and ongoing Basel III projects do not necessarily target such a granularity, which would imply projects of much larger scale with later achievement dates.

The following questions are not answered individually as they all request a granular database to be built, which is very costly and is not conceivable within the requested implementation timing.

Besides, as noted in the FSB Consultation Paper, it is impossible to identify all the holders of equity or debt securities issued by the bank, as these instruments are dealt on the secondary market without any tracking of the new owner. This perimeter cannot be broken down as requested.

Q7. Number and identification of funding providers: On a 1-5 scale please rate separately the costs of reporting the 10 additional counterparties providing the next highest incremental funding (ie reporting 60 top counterparties rather than 50), and of reporting dependencies on 10 additional counterparties specifically named by the authorities.

Cost: 2

Q8. Frequency of reporting: On a 1-5 scale what would be the cost increase for collecting the data weekly relative to monthly? Are there any specific data elements that would significantly reduce this cost if they were not collected weekly?

A weekly frequency is not conceivable for reporting purposes because collecting and consolidation data of a group within three days is not possible.

Q9. Maturity breakdown and 'crossings': Do you have any comments on the proposal to collect the data by financial instrument and residual maturity simultaneously (i.e, providing maturity breakdowns for each instrument)? Is this information available and comparable across legal entities that form part of the banking group?

FSB instruments categories should be defined precisely ; we may bear some additional costs and referential issues to match with our internal product types.

Cost: 3

Q10. Reporting lag: Is the proposed reporting lag of 3 days achievable for all banks? Would the costs and benefits be altered significantly by an alternative lag, and if so please explain why?

A 3-day reporting lag is not conceivable for reporting purposes as mentioned in the introduction.

3.3 *Exposures to national financial systems – Level 1 and Level 2 countries (Tables 3A and 3B)*

INSTITUTION TO AGGREGATE DATA (EXPOSURES)			
	PHASE 1	**PHASE 2**	**PHASE 3**
	Disaggregated consolidated IBS statistics	**Simple 4 way breakdown which may be obtained from banks' reporting underpinning the enhanced BIS/IBS statistics.**	**Increase in the granularity of instruments and sectors beyond the BIS/IBS level and introduce a maturity breakdown.**
Indicative timing:	End 2012	End 2013	End 2014
Dimensions:	• Country () • Sector (4)	• Country () • Sector (4) • Instrument (3) • Currency (7)	• Country () • Sector (7 to 12) • Instrument (8 to 10) • Currency (7) • Maturity (3 to 5)
Illustrative Crossings for Consultation:	• Co x Se	• Co x Se x In x Cu • Co x Se x In AND In x Cu	• Co x Se x In x Cu x Ma • Co x Se x In AND In x Cu x Ma
Frequency:	Quarterly	Quarterly	Quarterly
Details of Breakdowns:	**Sectors:** Banks, Non-banks, Public, Unallocated **Countries:** level 1	**Sectors:** Banks, NBFIs, NFCs and households, Government **Instruments:** loans/deposits, securities, other **Currency:** USD, EUR, JPY, GBP,CHF, local currency (if different), other **Countries:** level 1 and level 2	**Sectors (7):** Banks, MMFs, Insurance comp. and pension funds, Other NBFIs, NFCs, HHs, General government and Central banks **Sectors (12):** Banks, MMFs, CCPs, Insurance comp., Pension funds, Hedge Funds, SPVs, Mutual Funds, other NBFIs, NFCs, HHs, General government and Central banks **Instruments (8):** Real estate loans, Other loans, Collateralised securities, Uncollateralised securities, Shares and other equity, Derivatives exposures, Contingent credit lines and guarantees, Total **Instruments (10):** Real estate loans, Other lending, Securities lending and repo, Short-term securities, Collateralised long-term securities: ABS and covered bonds, Uncollateralised long-term securities, Shares and other equity, Derivatives exposures, Contingent credit lines and guarantees, Total **Maturity (3):** less than 1 month, 1 month-1 year, over 1 year **Maturity (5):** on demand, overnight to 1 month, 1-3 months, 3 months-1 year, over 1 year **Currency:** USD,EUR, JPY, GBP, CHF, local currency (if different), other **Countries:** Level 1: For Level 2 countries, a maturity breakdown would be added to the Phase 2 reporting dimensions (See Table 3B).
Metrics:	Principal amounts, gross MtM[48] exposures, collateral, net MtM exposures	Principal amounts, gross MtM exposures, collateral, net MtM exposures	Principal amounts, gross MtM exposures, collateral, net MtM exposures

Q11. Institution-to-aggregate exposures data: What are your views on the proposal to collect data on the principal credit exposures according to the above template (tables 3A and 3B)? What do you see as the main costs and benefits of collecting such data? Do you have any comments on the proposed timetable and the proposal to introduce the new template in 3 phases? Would the costs and benefits be altered significantly by an alternative scope or timetable, and if so please explain why? Please use as befits the 1-5 cost grading scale to differentiate between the proposed template and your alternative.

General assessment:

As mentioned in the introduction, the industry is already producing some reports fulfilling almost all of the information required in the institution-to-aggregate exposures data above. This is the case of the reporting BIS Statistics, recently reviewed, with the following characteristics:

- Scope: all credit risk operations where the implied counterparty reside in a foreign country
- Frequency: Quarterly
- Lag: 60 days
- Countries: countries where the Group conducts business
- Instruments: Lending, repo, securities lending, derivatives, shares, positive value otc derivatives
- Currencies: Local, EUR, USD, CHF, GBP, JPY, Others

- Sectors: public administrations, credit institutions, finance clients, non finance clients (retail and corporate)
- Maturity: <1y, 1y>2y, <2y or <1y, >1y
- Data combining countries and currencies

In order to avoid multiple reports with similar objectives and data, we urge authorities to converge on a unique reporting format. It could be the BIS reporting possibly enriched with additional data breakdowns and on an enlarged scope.

For the same reason, the convergence with the 2012 COREP in its targeted EBA format should be addressed, as these reports share many characteristics.

Phase 1 (end 2012): 1
The data elements requested in phase 1 are already available through the BIS reporting (subject to precise definition of requested data)

Phase 2 (end 2013) and Phase 3 (end 2014) costs: 4 to 5
Although most of the required data are similar to those reported in the BIS reporting, the collection of data and production of reporting would require some IT changes and an additional workload by the reporting production organization.Phase 3 seems hard to achieve in the requested calendar. The precise cost will depend on the clear definitions of the requested instruments and metrics.

Main benefits:
As mentioned in the introduction, the regulatory reportings are not used for risk management. The banks have their own process and tools to monitor risk.

Impacts of an alternative timetable: 3
As previously discussed, data should be available but producing such a collection before the end of 2012 is not easily conceivable.

Q12. Country breakdown. The proposal is to collect data on exposures by country at different levels of granularity depending on the size of financial market activity (collecting the most granular data for the 30 most significant financial systems (level 1 countries – Table 3A), and less granular data for another group of some 38 jurisdictions (termed level 2 countries) separately identified in the enhanced IBS (with 6 regional aggregates for the remaining 172 countries – Table 3B). Would reporting costs change significantly if the most granular data on country exposures were requested from 5 more or from 5 fewer jurisdictions (i.e., if the level 1 list were expanded to 35 or reduced to 25, altering the numbers in level 2 accordingly)? In addition to your comments please use as befits the 1-5 cost grading scale to differentiate between the alternatives.

Cost variation depending on the number of countries for which reporting the most granular data: 2
The source of the collection would by construction contain the data on all countries concerned by the reporting. Altering the granularity of data on the number of countries concerned would have thus little impact on the cost of the solution.

Q13. Sectors: The provision of more detailed data on links between banks and different non-banking sectors is viewed as a priority to improve understanding of shadow banking risks. Are the proposed sectors (both the 7 and 12 sector breakdowns) currently available in your databases? If not, using the 1-5 scale, please specify how costly it would be to collect data on the 12 way breakdown as opposed to the 7 way sectoral classification.

Cost of collecting all data on 7 sector breakdowns: 5
Cost of collecting all data on 12 sector breakdowns: 5
The sector breakdowns are not present in the BIS reporting exactly as mentioned in the proposal and corresponding IT developments would be required. It is however difficult to give a cost estimate of both sector breakdowns without a precise definition of the requested values.

Q14. Financial instruments: Collecting additional information on the breakdown by types of financial instrument is essential to help identify concentrations of exposure and risk. Two alternative breakdowns are proposed in Table 3A (the second providing additional information on exposures in securities markets). Are all the proposed breakdowns currently available? Are the definitions clear and comparable across legal entities? If not, please identify which and using the 1-5 scale, indicate how costly it would be to comply with the proposals and on whether there are any significant differences between the two alternatives?

Cost of compliance with the proposal: 2 to 4
The thinner granularity required for the final phase is not necessarily directly available and would require IT developments and requests. Thin granularity implies also higher control workload. It is however difficult to give a cost estimate without precise definitions.
We would like to highlight that any new additional data or expansion of the scope of requirements implies additional costs of implementation and interfere with the Basel III implementation projects conducted currently by banks in order to meet the Basel III requirements under a limited calendar.
In addition, we question the purpose of the requested instrument breakdowns as the granularity of the instrument breakdowns seems indeed quite heterogeneous.

Q15. Maturity: In combination with data on the maturity structure of liabilities, a breakdown of assets by residual maturity will facilitate the analysis of liquidity and funding risks. On a 1-5 scale how costly is collecting data according to 5 categories rather than 3, as set out in Table 3A?

Cost of collecting all data on 3 maturity categories: 2
The requested maturity buckets are usually available in the consolidated credit risk reporting systems, either directly or through intermediate queries and consolidations.

Cost of collecting all data on 5 maturity categories: 2 to 3
It is difficult to give a cost estimate without precise definitions.

Q16. Crossings: Collecting data on the 5 dimensions together (see Annex 3) would provide the most flexibility in terms of risk assessment and reduce future requests, but would also imply that data would be collected for a large number of cells. An alternative would be to collect data according to 2 x 3 way classifications, as shown in the chart. That would lower the number of data cells reported, albeit lowering flexibility at the same time. What are your views on these alternative proposals? What would be the difference in costs between reporting data on a 5 way classification and reporting on 2 x 3 way breakdowns? In addition to your comments please use as befits the 1-5 cost grading scale to differentiate between the alternatives.

Additional cost of 5 way crossing versus 2 x 3 way breakdowns: 2
Provided that all required data elements are available with the required granularity, the two aggregations proposed would only differ in the way data are consolidated, and have no significant production cost differences. They would nonetheless require different added workloads for the reporting production organization.

Q17. Frequency: The preliminary proposal is to collect the data actively on a regular quarterly basis. Could the same data be made available monthly during conditions of market stress? What would be the incremental costs on a scale of 1-5 of producing the data monthly rather than quarterly?

Additional cost of changing the frequency to monthly during a crisis period: 4
The punctual change of frequency over the requested perimeter of data implies a heavy workload at the local and central levels.

Q18. Reporting lag: Is the proposed reporting lag of 4 weeks feasible for all banks? Would the costs and benefits be altered significantly by an alternative lag, and if so please explain why?

A four week lag is theoretically conceivable, but should be considered together with all the other reporting that is required each quarter. Without a rationalisation of all regulatory reporting, it is not possible to meet the four-week deadline on this additional one. It should be noted that all aggregated reports are currently produced within a 60-day lag (BIS reporting, Corep), so that teams can be dedicated to the issuance of Basel II ratio and financial statements within the 30 first days.

Q19. Metrics, Risk Transfer and Exposures Data: An important aim as highlighted above is to collect data on a 'final risk' basis (i.e., after risk transfer and hedging and adjustments for collateral etc) as well as on an immediate borrower classification. What are your views on this proposal, and on the costs of collecting data in this way? Could data be readily prepared for 'risk exposures' at the granular level set out in the above table as well as on an 'immediate borrower' basis? Could data be readily supplied for the different metrics set out in the above template to facilitate such calculations? Would you recommend another approach to the preparation of 'exposures' data? If so, please describe the alternative approach and explain why it is preferred? In addition to your comments please use as befits the 1-5 cost grading scale to differentiate between the alternatives.

Views on collecting data on "final risk" and "immediate borrower" bases:
The BIS reporting already produces these two views: "immediate borrower" vs "final risk". For both collections of data, the principal amounts and the collateral amounts are available. It is thus conceivable to produce these two views with a solution based on the BIS reporting, provided the metrics used for it are found to be sufficient.

Cost of collecting data on "final risk" and "immediate borrower" bases: 2
The cost of collecting both types of data is not significantly important.

3.4 *Funding dependencies on sectors and instruments (Table 4)*

INSTITUTION TO AGGREGATE DATA (FUNDING)			
	PHASE 1	**PHASE 2**	**PHASE 3**
	No reporting of funding data is proposed at this phase	**Simple breakdown derived from reporting underpinning the enhanced BIS/IBS statistics**	**Detailed information on funding provided by key instruments, key sectors, combined with information on currency and maturity structures.**
Indicative timing:		End 2013	End 2014
Dimensions:		• Instrument (3) • Currency (7) • Sector (2) • Country ()	• Instrument (7 to 12) • Currency (7) • Maturity (3 to 8) • [Sector (7 to 12)][49] • [Country ()]
Illustrative Crossings for Consultation:		• In x Cu x Se x Co	• In x Cu x Ma x [Se x Co]
Frequency:		Quarterly	Quarterly
Details of Breakdowns:		**Instruments:** loans/deposits, securities, other **Currency:** USD, EUR, JPY, GBP, CHF, local currency (if different and for country only[50]), other **Sectors:** Banks, Non-banks	**Instruments (7):** Deposits, Securities lending and repo, Short-term securities, Long-term securities, Shares and other equity, Total, Memo: FX derivatives (net) **Instruments (12):** Deposits, Securities lending and repo, Issuance of Debt Securities, Uncollateralised short-term securities (CDs, CPs), Collateralised short-term securities (ABCPs and others), Uncollateralised long-term securities, Collateralised long-term securities, ABS and covered bonds, Shares and other equity, Derivatives, Total, memo: FX derivatives (net) **Currency:** USD, EUR, JPY, GBP, CHF, local currency (if different and for country only[51]), other **Maturity (3):** less than 1 month, 1 month-1 year, over 1 year **Maturity (8):** On demand, Overnight, Overnight to 1 month, 1-3 months, 3 months-1 year, 1-3 years, 3-10 years, over 10 years **Sectors (7-where available for some instruments):** Banks, MMFs, Insurance comp. and pension funds, Other NBFIs, NFCs, HH, General government and Central banks **Sectors (12-where available for some instruments):** Banks, MMFs, CCPs, Insurance comp., Pension funds, Hedge Funds, SPVs, Mutual Funds, other NBFIs, NFCs, HHs, General government and Central banks
Metrics:		Principal amounts	Principal amounts

Q20. Institution-to-aggregate funding data: What are your views on the proposal to collect detailed information on the liability structures of G-SIBs according to the above template? What do you see as the main costs and benefits of collecting such data? Would the costs and benefits be altered significantly by an alternative scope or timetable, and if so please explain why? Please provide comments on the following detailed aspects of the proposal:

Views on the proposal:
As mentioned in the introduction, funding data are planned to be consistently gathered and consolidated by 1st January 2013, with the implementation of systems that will contribute to Basel III / CRD IV liquidity reports. However, it should be noticed that the granularity required by FSB is much higher than what is strictly necessary to produce liquidity ratios. These additional requirements imply significant marginal costs and time to develop appropriate tools and processes, which could threaten the Basel III / CRD IV deadline. As a consequence and in order to ensure the Basel III / CRD IV calendar, we would welcome the institution-to-aggregate funding reporting match exactly the Basel III liquidity data. The scope could be progressively expended afterwards.
A great coherence of the requested data and the timetable of collection with Basel III / CRD IV project would allow to take into account the new requests into the current project.

No I-A funding reporting requested during Phase 1 (end 2012).

Phase 2 (end 2013) and Phase 3 (end 2014) costs: 5

Costs of an alternative timetable: 5
Complying with the proposed timetable is out of reach. Postponing this timetable to match with the Basel III / CRD IV calendar and scope would make the reporting possible.

Q21. Financial instruments: Two alternative classifications for the breakdown of financial instruments are set out in Table 4 (the second providing information on whether instruments are collateralised or not). What would be the difference between these alternatives in terms of the costs of data collection? In addition to your comments please use as befits the 1-5 cost grading scale to differentiate between the alternatives.

Cost difference between the 7 and 12 instruments breakdown: 2 to 5
The detailed definition of the requested instruments must be studied to better estimate the implementation cost. In the case where the granularity used for liquidity ratio reports does not comply with the request, the cost of the corresponding developments would be important.

Q22. Residual maturity: A range of options for the classification of the residual maturities of liabilities is under consideration, with two alternatives set out in Table 4. On a 1-5 scale how costly is collecting data according to 8 categories rather than 3?

Cost difference between the 3 and 8 maturity breakdowns: 5
The 8 maturity buckets are not reported in liquidity ratios.

Q23. Sector: For the cases where the sector of holder can be readily determined, such as deposits, on a 1-5 scale how difficult is collecting a more granular sectoral breakdown of liability holders (ranging between a 7 way and a 12 way classification)? How powerful are the arguments for a consistent approach to the sectoral classification on the asset and liabilities side?

Cost difference between the 7 and 12 sectoral breakdowns: 5
The 12-sector breakdown is not planned to be implemented for Basel III / CRD IV liquidity ratios.

Q24. Crossings and aggregation: The proposal is to collect the data according to a minimum 3 way categorisation (instrument, currency, maturity) for all financial instruments, expanded to a 5 way breakdown for the subset of instruments where this is available. What would be your views on the costs of including a country and a sector breakdown for selected financial instruments, such as deposits? What would be the best approach to collecting data from holders of long-term securities issued by G-SIBs? In addition to your comments please use as befits the cost grading scale to differentiate between the alternatives.

Additional cost of sector and country crossing: 5
As answered in the previous questions related to the 3.4 chapter of the Consultation Paper, banks have started implementing tools and processes in order to meet the Basel III / CRD IV requirements within the calendar constraints. Any new additional data or expansion of the scope requirements implies additional costs of implementation and developments and cannot be achieved without threatening Basel III / CRD IV deadlines.
Therefore, no new country breakdowns are planned to be implemented in the funding data gathering solution for the liquidity ratio reports production.

Q25. Reporting lag: Is the proposed reporting lag of 4 weeks feasible for all banks? Would the costs and benefits be altered significantly by an alternative lag, and if so please explain why?

See answer to question 18.

3.5 Structural and systemic importance data

Q26. Structural data: Do you have any views on the proposal to collect consistent data on the key structural characteristics of G-SIBs? What are the marginal costs of providing the 3 types of data outlined in Annex 4 on a scale of 1-5? Are there any elements which are particularly costly and if so please explain why? What would be the incremental costs of supplying data on key resilience indicators on a quarterly rather than an annual basis?

The data requested in the "Information Regarding the Assessment of Systemic Importance" section of Annex 4 are all already provided to the French regulator (the ACP) for the data collection exercise of the BIS Macroprudential Supervision Group. The data of the "Key Resilience Indicators" section seem to be already provided to the Basel Committee in the context of G-SIBs identification and in the Financial Statements. The "Information Regarding Banking Group Structure" are fairly easily accessible within the banks information systems.

Q27. Passive data: What are your views on the potential cost savings of 'passive' reporting of specific, predefined data compared to 'active' routine reporting? To guide a fuller cost-benefit assessment, and grouping together questions addressed above, what would be the incremental costs of providing sufficient system flexibility to meet the following 'passive' data requests on a scale of 1-5:
A. Higher frequency: The costs and benefits of higher frequency reporting are covered by questions [Q3/Q11/Q17/Q20 above]
B. Change in counterparties: The costs and benefits of reporting additional counterparties are addressed by questions [Q2/Q13/Q23/Q24] above.
C. Additional granularity: What are your views on the possibility of supplying more granular data in the event of a passive data request? How do the costs of setting up systems with the capability to report additional granularity compare to the regular reporting costs?

Passive data imply a recurrent cost of collection and yet are not ready to be reported. From our point of view, passive data request the same process (workload, cost) as active data to ensure the data quality and availability. Consequently, we are opposed to this approach not efficient in terms of costs and benefits.

Costs of multiple frequency reporting: 5
It is very costly to any organization to setup additional operational and IT processes to anticipate unplanned sudden higher production frequencies.

Costs of multiple granularity reporting: 5
As discussed above, the different granularities proposed have similar cost impacts. To setup the possibility of punctually modifying the granularities of the broadcasted reporting, would require the setup and implementation of all the corresponding reporting, with a selection of the right format to broadcast at that given time.

3.6 Ad-hoc data

Q28. Ad-hoc data: What are your views on the pre-agreed procedure set out in Annex 6 which aims at facilitating the production of reasonable ad hoc requests consistent with banks' IT systems capabilities ? Using a scale 1-5, what would be your views on the setting-up or upgrading cost of such a flexible system?

Cost of the proposal of ad-hoc data collection production: 4
Ad-hoc data collection always generates important costs as it requires specific individual treatment before being consolidated and as it necessarily entails manual workload and a complete review of produced data. Banks are aware that ad-hoc inquiries might be necessary for supervisors to address specific information needs on situation of crisis and they would provide a quality information on their best efforts basis, as it has been done under the GIIPS crisis.
However, we believe that ad-hoc requirements should be required exclusively on exceptional circumstances. Exceptional circumstances should be appropriately expressed and shared by the industry and authorities. Ad-hoc requests should be clearly defined.

3.7 Access and confidentiality issues

Q29. Data sharing and access principles: What are your views on the principles set out above to guide the development of the governance arrangement for the new dataset? Do you have any observations on the legal arrangements needed to underpin the collection, sharing and use of the new dataset? Do you have any comments on the proposals to share additional information between regulators, macroprudential authorities and international financial institutions, subject to necessary safeguards to ensure confidentiality and governing the use of such data being put in place?

The reporting currently produced by the French banking industry are sent to well defined and identified French regulators. The disclosure of the banks data to third parties presents both legal and economical issues. Some of the collected data are subject to various bank secrecy acts and cannot be transmitted to anyone else than the firm's supervisors. Therefore, the proposal should be detailed to assess whether or not such data information would endanger the clients' rights or the bank's reputation as well as the banks' position in the banking business competition.
In any case, the supervising authorities must be able to ensure financial insititutions of the complete confidentiality related to prudential sensitive data.

3.8 Disclosure and publication of additional data

Q30. Public disclosure: What are your views on the disclosure of additional standardised information on exposures and funding dependencies of G-SIBs to aggregate types?

As discussed in the previous answer, the proposal should be presented with more details.
The information on exposures should not be disclosed to an enlarged public. The use of the data should be very restricted to the supervisory of the G-SIB's . They are very confidential and there might be competition disadvantages between the banks whether they are G-SIB or not. On that ground, the large exposure reporting should only be provided to the national supervisor.

Moreover, we would like to stress that legal arrangements governing access and confidentiality related to disclosure of prudential sensitive data should be driven by the principles of consensus and reciprocity among the G-20 countries. We could not conceive that the opening of the access to prudential sensitive data agreed at the European Commission level would not be proved effective in a timely manner within other jurisdictions outside the European zone. Therefore we encourage any legal arrangements governing access and confidentiality to ensure a level playing field among the G-20 countries in running appropriate governance related to transparency and confidentiality of prudential data.

3.9 Additional comments

Q31. Additional comments: Please supply any additional comments on any aspect of the project?

The consultation paper does not specify whether the providing of the requested data collections would be performed through the national regulators or directly to the FSB/IMF.

We consider that any supervisory data collection should imperatively be collected through national supervisory authorities.