

The BIRD Project

Report to the Dialogue

Frankfurt am Main, 18 June 2024

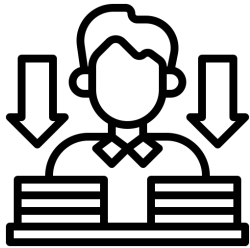


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Overview



The benefits of BIRD



Reduces the reporting burden for the banking industry by making it easier to determine which source data to use, how to interpret it, and how to correctly process it.



Improves the quality of the data reported to authorities and increases compliance with regulatory requirements.



Is a collaborative development that provides stakeholders the opportunity to learn from each other, i.e., if we do it together, you don't need to do it alone.

The BIRD stakeholders

10 NCBs
40 Banks
40+ Consultancy companies
and software vendors

SUOMEN PANKKI EUROJÄRJESTELMÄ
 FINLANDS BANK EUROSYSTEMET
 BRAG
 TCI THE CORPORATE INTELLIGENCE
 DEUTSCHE BUNDESBANK EUROSYSTEM
 MONTE DEI PASCHI DI SIENA BANCA DAL 1472
 EBA EUROPEAN BANKING AUTHORITY
 BANQUE DE FRANCE EUROSYSTEME
 Goldman Sachs
 OESTERREICHISCHE NATIONALBANK EUROSYSTEM
 ONB
 BANCO DE ESPAÑA Eurosisistema
 ABN-AMRO
 Bird Software Solutions
 zeb
 Atos
 BNY MELLON
 ING
 Nordea
 DeNederlandscheBank EUROSYSTEME
 d-fine
 SRB Single Resolution Board

BANCA D'ITALIA
 COMMERZBANK
 DZ BANK Die Initiativbank
 data virtuality
 pwc
 KPMG
 tfb
 EY
 Deloitte
 KBC
 SVERIGES RIKSBANK
 accenture

CaixaBank
 Sopra Banking Software
 de volksbank
 AuRep Austrian Reporting Services GmbH
 BNP PARIBAS GROUPE BPCE
 BBVA
 BPER: Banca Deutsche Bank
 Rabobank
 Rating und Risikosysteme GmbH
 Finanzgruppe Deutscher Sparkassen- und Giroverband
 msgGillardon
 CASSA CENTRALE BANCA CREDITO COOPERATIVO ITALIANO
 UBS
 SORER CONSULTING & DEVELOPMENT
 PinWork
 prognosys solutions
 cecabank
 PIRAEUS BANK
 SEB NATIONAL BANK OF GREECE
 OP Financial Group
 ERSTE
 SOCIETE GENERALE
 Iccrea Banca
 Raiffeisen Bank International

BUSINESS CONSULTING NEXEN GRUPPO EDIZIONEFINANZA
 STRATIO
 CELFOCUS
 ALPHA BANK
 Millennium bcp
 GFT
 Capgemini
 GRIDCON CONNECTING BUSINESS TO IT
 meaningful DATA
 novobanco
 Swedbank
 teradata.
 EUROPEAN DATAWAREHOUSE
 EBF European Banking Federation
 invoke REGULATORY REPORTING
 SIAPARTNERS
 REGNOLOGY
 Wolters Kluwer
 BANQUE CENTRALE DU LUXEMBOURG EUROSYSTEME
 Metoda
 SKS GROUP
 Caixa GERAL de Depositos
 Suade
 Irion
 LB= BW
 INTESA
 SANPAOLO
 UniCredit
 b.fine
 SAP Pioneer

BIRD priorities – Banking Industry views



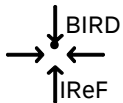
Input-Approach

The Banking Industry views BIRD's Input-Approach as a pivotal element to achieve an end-to-end integrated reporting in Europe. BIRD's deliverables must therefore not only support the industry but also need to facilitate reporting integration on the authority side (JBRC).



Ex-Ante: Collaboration and Documentation

BIRD is more than a mere documentation: BIRD stands for being a platform for trustful ex-ante collaboration between the industry and authorities to make regulatory reporting better and more efficient.



Alignment through a Common Reference Data Dictionary (BIRD – IReF - DPM 2.0)

The banking industry and the authorities can benefit greatly from closely aligning input-models and collection-models through a common reference data dictionary, closely harmonizing semantics and data models and effectively reducing transformation efforts and complexity. The BIRD/IReF alignment should lead the way.



Effective and efficient processes to produce the BIRD content

A complete data-lineage from the banks' input to data-collection by authorities – this is the main benefit the BIRD documentation can provide. But: it must be produced in a timely, complete and reliable way.

BIRD priorities – authorities view



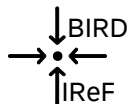
Further BIRD developments for more credibility

Make the BIRD deliverables production more effective and efficient. In particular, coverage, completeness, transparency and timeliness have to be improved. This is particularly important in view of a possible recognition as a relevant tool for improving data quality by the JBRC.



Recognition of the Input-Approach by the JBRC

“...some associations believe that institutions would benefit from a common approach for the processes of compliance (common input approach), which although assumed to be highly costly, will bring enough benefits to the institutions” (2021 EBA Feasibility Study).
Investigate the institutions’ appetite for a common approach and confirm the feasibility conditions of such a solution.



Mutual support for IReF implementation

Ex ante banks’ input to the design of IReF via BIRD’s IReF subgroup.
BIRD timely releases to help banks to comply with the Integrated Reporting Framework (IReF).

Major developments since Dialogue 2023

- Publication of the new BIRD Data Model version 6.4.0 on the ECB website
 - ✓ Including all relevant information for FinRep (77 templates in scope) and a few minor fixes to the existing structure
- Publication of semantic Transformation Rules version 1.1.0 for the generation of FINREP
 - ✓ Including access via an API from the BIRD webpage
- Publication of the BIRD work plan for 2024 on the ECB BIRD Webpage
- Resuming of the Workstream on Prototyping to build a BIRD Community discussing the practical usage of BIRD and supporting testing
- Progress with IREF – testing of the draft IREF Logical Data Model has started.
- Vastly increased interest by industry and vendors seen in WS P

Outlook to end of 2024

- Feedback process for the newly published Transformation Rules (Format & Content) established
- Inclusion of Asset Encumbrance in the BIRD documentation Q4 2024
- Shared Naming Conventions between BIRD and IREF
- Alignment of the BIRD Data Model and the IREF Data Model
 - ✓ Especially including missing information in the BIRD Data Model and aligning terms and definitions
- Start of a new business subgroup to more effectively include the next reporting framework into BIRD (COREP)

Current work plan for 2024

BIRD WORK PLAN 2024		2024											
		Q1			Q2			Q3			Q4		
ACTIVITY	TASK	1	2	3	4	5	6	7	8	9	10	11	12
IReF	IReF subgroup - Support to:												
	- Modelling IReF Logical Data Model												
	- Testing												
	- Transformation Rules												
FINREP & Asset Encumbrance	FINREP and AE subgroup:												
	- FINREP publication (77 of the 122 FINREP Templates)												
	- Integration of Asset Encumbrance into BIRD												
Further developments in and of BIRD	- Outline a strategy to segment the next framework to be included in 2025 (e.g., COREP) into sequential work packages and establish a timeline												
	- Assessment on the priority to include the remaining 45 FINREP templates e.g., in relation to COREP												
	- Assessing the integration of ESG relevant data into the BIRD data models, based on BIRD Logical Data Model extensions provided by an open source initiative ¹												
	- Investigating strategies on the collaboration with open-source initiatives and on content provided to BIRD from parties outside the BIRD Project												
	- Outline a strategy on how to keep BIRD updated with the latest version of included Frameworks												
Work Streams	Work Stream on Prototyping tasks												
	Work Stream on Data Modelling tasks												
Communication & Promotion	Progressing with regular activities												

¹ ESG-relevant data refers to data required for ESG Reporting in a general sense. In 2024, no ESG Framework will be incorporated in BIRD. Nonetheless, the BIRD Data Models will be extended to include data relevant for ESG reporting. There is no claim of comprehensiveness for the information included. Comprehensive representation of ESG data in the LDM can only be achieved once BIRD includes ESG reports in the full BIRD Process.

Challenges on the way forward

- Strengthening of operational and technical activities for BIRD timely publication
 - enhancing the stability of the resourcing by the authorities
 - streamlining the BIRD process to enhance efficiency
 - ensure consistency of deliverables to avoid sunk costs for banks using the documentation
- Strengthening of resourcing by the Banking Industry
 - relationship of BIRD and JBRC must soon be clarified
 - possible cannibalization effects by the setup of new JBRC expert groups have to be avoided,
 - C-level attention regarding the importance of BIRD must be raised
- Making BIRD a reliable element of an end-2-end integrated regulatory reporting from design of new requirements to effective reporting

BIRD Operational Tasks (BOT) Project

□ What is it

- ❖ BIRD operational tasks project is a business/IT ESCB project with the aim to strengthen the BIRD by assessing the possibility of transferring BIRD IT and business responsibilities in relation to operational tasks from the ECB to one or more central banks (including the ECB)
- ❖ ECB and Banca d'Italia are the service providers during the investigation phase

□ Why now

- ❖ BIRD can represent the basis for semantic integration on the respondents' side – a topic which is getting more and more relevant
- ❖ Support reporting agents and CBs as much as possible with IReF implementation
- ❖ Increased interest in the BIRD community (e.g consultancy, software vendors)

BIRD Operational Tasks (BOT) Project

ESCB Project

2 service providers during the Investigation phase: ECB and Banca d'Italia
BIRD banks' involvement

Objectives of the project

BIRD's operational tasks can be strengthened by:

- Centralizing coordination of operational activities
- Increasing the number and stability of human resources
- Enhancing the IT solution and support

Timeline

Investigation phase: 4 months (during 2024)

Realisation phase: 18 months (to finish mid-2026)

Running phase