



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Template for comments

Public Consultation on Money Market Statistics Regulation

Institution/Company

Contact person

Mr/Ms

First name

Surname

Email address

Telephone number

Please tick here if you do not wish your personal data to be published.

General comments

We support your initiative on improving the reporting, but we find that you provide us with too short notice and too short time to implement these sometimes very big changes

Template for comments

Public Consultation on Money Market Statistics Regulation

Please enter all your feedback in this list.

When entering feedback, please make sure that:

- each comment deals with a single issue only;
- you indicate the relevant Article/Annex, where appropriate;
- you indicate whether your comment is a proposed amendment, clarification or deletion.

Deadline: 10 September 2018

ID	Article, annex and/or table of the draft regulation	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board
1	Generic comment regarding draft regulations from ECB		Clarification	<p>We support adapting the requirements in order to improve the data quality and set up more strict requirements for delivery, but we find that the process and timeframes of the changes are an obstacle for having successful releases of updates. The problem is that the regulators need for speed in the update conflicts with the planning and budgeting processes in large cost based banking entities, which is quite complicated. Typically funding for new IT tasks - like regulatory reporting - needs to be ensured before the budgeting year starts. Therefore there is a need to know in the end of 2017 what will be changed in the MMSR reporting in 2018 and when it should be delivered. Then it possible to ask for sufficient funding, the right Business and IT resources that can do the work with good quality. It will simply increase the quality of the change.</p>	<p>The likelihood of improving the reporting as intended will increase. It takes time to</p> <ol style="list-style-type: none"> 1. get funding 2. Get business and IT resources 3. write requirements 4. create code 5. test code and 6. put into production <p>Furthermore the number of persons that need to be involved to ensure segregation of duties is huge which is why it requires extensive planning.</p>
2	Article 1, Annex 1, Annex 2, Annex 3	1	Clarification	<p>Using the LCR Basel III definition of wholesale corporates proves a challenge for some reporting agents.</p> <p>The way this classification is used for reporting in the Basel reporting is quite different from the way the classification is used in the MMSR reporting. In the Basel reporting the reporting is on aggregate level, whereas in MMSR reporting the classification depends on the customer and the trade. This means that in some cases the implementation of the wholesale definition cannot be used in the MMSR reporting, where the implementation needs to be much more granular on entity and trade level.</p> <p>Furthermore the reporting in the Basel framework is typically separated from the regulatory reporting framework catering for the MMSR reporting. Therefore it is difficult to find a viable way of getting the operational LCR classifications to the reporting setup. Instead proxy/parallel classifications are used in connection with manual procedures in order to cater for the gap.</p>	<p>Using the LCR Basel II definition of wholesale corporates makes good sense, but only if the banks have time to implement it properly. With the implementation time we normally get we do not see that it is possible to fulfill that requirement. Building the infrastructure, looking into all customers and all trades takes time - even if a bank has implemented digital solutions to handle the millions of customers and millions of trades.</p>

