

Luxembourg, 20 January 2014

To all credit institutions

In case of discrepancies between the French and the English text,
the French text shall prevail

CIRCULAIRE BCL 2014/235

Modification of the statistical reporting from credit institutions

Ladies and Gentlemen,

On 24 September 2013 the Governing Council of the European Central Bank (ECB) has adopted Regulation ECB/2013/33 concerning the consolidated balance sheet of the monetary financial institutions sector (recast) and Regulation ECB/2013/34 concerning statistics on interest rates applied by monetary financial institutions (recast). These regulations, which have been published in the Official Journal of the European Union on 7 November 2013, complete the existing framework of the ECB's statistical activities that are necessary to allow the European system of central banks (ESCB) to carry out its functions by defining the physical and moral persons subject to reporting obligations, the regime of

confidentiality and the necessary execution and sanctioning provisions, according to article 5.4 of the statute of the ESCB and the ECB.

The complete set of the ECB's requirements in the field of statistical reporting of credit institutions obeys three essential rules.

First of all, the ECB must receive comparable, reliable and up to date statistical information, collected in similar conditions throughout the whole euro area.

Furthermore, the obligations defined in the regulations must respect the principles of transparency and legal security. The regulations are therefore restrictive and apply directly within the whole euro area. They directly impose obligations on physical and moral persons and allow the ECB to impose sanctions on them if they do not fulfil the reporting requirements imposed on them by the ECB.

The statistical information subject to reporting according to the requirements of the ECB and the minimal norms to be respected are detailed within the aforementioned ECB regulations. According to regulations ECB/2013/33 and ECB/2013/34, the National Central Banks (NCBs) shall:

- define and implement the reporting arrangements to be followed by the actual reporting population in accordance with national characteristics
- exercise the right to verify or collect information which reporting agents and required to provide pursuant to the aforementioned ECB regulations.

On the basis of the aforementioned regulations, the Banque centrale du Luxembourg (BCL) has developed a data collection system for credit institutions that is detailed in the present circular.

1 Objectives

On the basis of regulations ECB/2013/33 and ECB/2013/34, the BCL has developed a data collection system that is supposed to fulfil the following objectives.

- complete coverage of the foreseeable requirements of the ECB in the field of monetary and financial statistics
- complete coverage of the needs expressed by the various units of the BCL as well as the needs formulated by the National Institute of Statistics (STATEC) to cover the information needs in the field of national financial and non-financial accounts
- minimisation of the workload for reporting agents
- consistency with the data collected for supervisory purposes

This coherence, which is not possible for all the information to be collected, allows the use of supervisory data in the process of compiling data for the ECB and contributes to the quality control of the collected data

- compatibility with the standards of ESA2010 (European System of National Accounts 2010). The compatibility of the collected data according to the standards of SEC2010 facilitates its use in the field of national accounts and balance of payments statistics and should therefore avoid further reporting requirements.

2 Principal innovations

Compared to the current statistical data collection, the innovations relate to the following areas:

- updating or changing the nomenclature of codes used in the statistical reporting
- the introduction of new statistical reports
- modification of existing statistical reports
- update of the nomenclature of statistical reports

2.1 Update of the nomenclature used in the statistical reporting

Updating the nomenclature of economic sector proved to be essential due to the introduction of a new version of the European System of National Accounts, indeed, as from 2014 the National Accounts will abandon ESA95 in order to comply with ESA2010. This update affects all statistical reports that require a breakdown by economic sector of the counterpart for assets and liabilities; these are the following reports:

- S 1.1 «Monthly statistical balance sheet of credit institutions»
- S 1.4 «Valuation effects on the statistical balance sheet of credit institutions»
- S 1.5 «Interest rates in EUR»
- S 1.8 «Securitisations and other loan transfers by credit institutions»
- TPTBBL «Security by security report - Balance sheet data»
- TPTBBN «Security by security report - Balance sheet data»
- TPTBHR «Security by security report - Off-balance sheet data - Resident customers»
- TPTBNR «Security by security report - Off-balance sheet data - Non-resident customers»
- S 2.5-L «Quarterly statistical balance sheet of credit institutions»
- S 2.5-N «Quarterly statistical balance sheet of credit institutions»
- S 3.2 «Non-balance sheet information»

In this context, we have also adapted the nomenclature for the breakdown by item, by maturity and by period of interest rate fixation in order to make it more flexible and intuitive.

Finally, it goes without saying that the new statistical reports that will be introduced in 2014 are also based on this new nomenclature.

2.2 New statistical report

In the context of revising the statistical data collection, the security by security report for the accounting version N (TPTBBN) will be introduced. This is a security by security report that includes, in addition to the securities held and issued by local banks, also detailed information on securities held by the branches of the latter.

2.3 Modification of existing statistical reports

Following the introduction of the ESA2010 version of the European system of national accounts, most statistical reports have been by and large significantly revised.

The major changes can be summarized as follows:

- adding new data requests, for instance on credit commitments and guarantees granted on reports S 1.1 «Monthly statistical balance sheet of credit institutions» and S 2.5 «Statistical balance sheet of credit institutions quarterly» (S 2.5-L and S 2.5-N)
- adding additional information, for instance on loan renegotiations on report S 1.5 «Interest rates in EUR»
- adding additional information on the S 1.8 «Securitisations and other loan transfers by credit institutions»
- increasing the frequency of report S 4.1 «Non-balance sheet information» (renamed S 3.2) and adding new data requests on loan-to-value ratios and on the number of accounts

As regards more particularly report S 2.9 «Staff», a complete overhaul is needed; therefore, this report has been fully revised in order to better reflect the realities of contemporary labour markets.

2.4 Update of the nomenclature of statistical reports

In the framework of the statistical collection, credit institutions submit reports containing information on their balance sheet (accounting version L) as well as reports containing information on the aggregated balance sheet of the Luxembourg head office and its foreign branches (accounting version N) .

In this context, we have opted for a new approach that does not distinguish statistical reports by accounting version; indeed, we decided to abandon the concept of accounting version for statistical reports and create, for each accounting version, a different statistical report.

Thus, rather than distinguishing report S 2.5 in accounting version L and N, the solution adopted is the following one:

- report 2.5 accounting version L will remain as report S 2.5-L
- report 2.5 accounting version N will become report S 2.5-N

The same goes for the security by security report for which we have the following situation:

- report TPTBBS will become report TPTBBL
- the new report TPTBBS in accounting version N will become report TPTBBN

In this context, we emphasise that this change in nomenclature does not call into question the principle of parallelism of these reports; thus, for instance, reports S 2.5-L and S 2.5-N are identical except that the information requested refers either to the Luxembourg entity (S 2.5-L) or to the Luxembourg entity and its foreign branches (S 2.5-N).

Finally, the following reports will also be renamed:

- report S 2.9, accounting version L, will become report S 2.9-L
- report S 2.9, accounting version N, will become report S 2.9-N
- TPTBOB will become report TPTBHR
- the new report TPTBNR will become report TPTBHN
- due to an increase in the reporting frequency, report S 4.1 is renamed report S 3.2

3 Integrating the new ECB requirements into the statistical data collection of the BCL

Since the requested changes do not fundamentally challenge the current architecture of reports:

- S 1.1 «Monthly statistical balance sheet of credit institutions»
- S 1.4 «Valuation effects on the statistical balance sheet of credit institutions»
- S 2.5 «Quarterly statistical balance sheet of credit institutions»

the structure of the existing reports remains largely unchanged while incorporating the additional information mentioned above.

However, for the following reports:

- S 1.5 «Interest rates in EUR»
- S 1.8 «Securitisations and other loan transfers by credit institutions»
- S 2.9 «Staff»
- S 3.2 «Non-balance sheet information»

a structural change of these reports has proven unavoidable in order to integrate all the new requirements.

4 The statistical reporting of the BCL

Based on the information presented above, the statistical reporting that credit institutions must submit periodically to the BCL now includes the following reports:

- S 01. «Daily deposit report»
- S 1.1 «Monthly statistical balance sheet of credit institutions»
- S 1.4 «Valuation effects on the statistical balance sheet of credit institutions»
- S 1.5 «Interest rates in EUR»
- S 1.8 «Securitisations and other loan transfers by credit institutions»
- «Security by security report – Balance sheet data» (TPTBBL and TPTBBN)
- «Security by security report – Off-balance sheet data - customers» (TPTBHR and TPTBNR)
- S 2.5 «Quarterly statistical balance sheet of credit institutions» (S 2.5-L and S 2.5-N)
- S 2.8 «Real estate loans granted for buildings in Luxembourg»
- S 2.9 «Staff» (S 2.9-L and S 2.9-N)
- S 3.2 «Non-balance sheet information»

Finally, it should be noted that all the instructions for establishing the statistical reporting are published and can be downloaded from the website of the BCL from the following addresses:

http://www.bcl.lu/fr/reporting/Etablissements_de_credit/index.html

http://www.bcl.lu/en/reporting/credit_institutions/index.html

5 Quality of the transmitted data

We would like to stress the importance of the quality of the data transmitted to the BCL and the necessity to submit the data to the verification rules detailed in the technical documentation. Only a rigorous control undertaken during data production will allow to respect the quality requirements as well as the reporting delays. This point is all the more important since the data collected will be checked by the ECB before aggregating it with the data of the other Member states. Any error or important negligence will have harmful repercussions on the reputation of the whole community of the Luxembourg monetary financial institutions.

6 Respecting the reporting deadlines

The BCL established publishes on its website a list of the reporting deadlines for the submission of statistical reports to the BCL.

Credits institutions are reminded that the BCL must transmit monthly statistics to the ECB within 15 working days and quarterly statistics within 28 working days following the end of the period which data relates to. Therefore, it is absolutely necessary that reporting agents scrupulously respect the reporting deadlines defined in the present circular in order to allow the BCL to respect its reporting obligations in the framework of the ESCB.

7 Setting up of the new data collection

The transmission of this information is mandatory as of reference period December 2014; the first reports are therefore those pertaining to end-December 2014.

8 Test phase

Credit institutions that wish to do so may participate in a test phase which will begin in September 2014. The submission of monthly reports is possible as from September 2014 for the reference period August 2014. The submission of quarterly reports is possible as from October 2014 for balance sheets data pertaining to the third quarter of 2014.

The BCL will inform credit institutions of the test outcome and ask, where appropriate, relevant entities to perform other test transmissions to eliminate any remaining quality issues.

Yours sincerely,

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