

Luxembourg, 10 February 2021

To all credit institutions

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

CIRCULAR BCL 2021/244

Modification of the statistical reporting from credit institutions

Ladies and Gentlemen,

On 21 January 2021 the Governing Council of the European Central Bank (ECB) has adopted Regulation ECB/2021/2 concerning the consolidated balance sheet of the monetary financial institutions sector (recast). This regulation improves the existing framework of the European system of central banks' (ESCB) statistical activities in order to allow it 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, 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 entire euro area. They directly impose obligations on physical and moral persons and allow the ECB to inflict sanctions on them if they do not fulfil the imposed reporting requirements .

The statistical information subject to reporting according to the requirements of the ECB and the minimal norms to respect are detailed within the aforementioned ECB regulations. According to regulation ECB/2021/2, 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 are required to provide pursuant to the aforementioned ECB regulations.

Based on 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

The data collection system developed by the BCL based on regulation ECB/2021/2 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 collect, 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 ESA2010 facilitates its use in the field of national accounts and balance of payments statistics and should therefore help avoiding 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
- Modification of existing statistical reports

2.1 Update of the document «Definitions and concepts for the statistical reporting of credit institutions»

The update of the document «Definitions and concepts for the statistical reporting of credit institutions» has proved indispensable following the recast of Regulation ECB/2021/2. On the one hand, the above-mentioned ECB Regulation introduces several new headings that need to be presented and described. On the other hand, two new country codes have been introduced to identify positions vis-à-vis the European Financial Stability Fund (EFSF) as well as the Single Resolution Mechanism (SRM), and the sectoral classification of supranational institutions has been modified.

These updates are reflected in all statistical reports which include these new headings and/or for which a breakdown by economic sector according to the counterpart of the activities is required.

This includes 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 1.8 «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»

2.2 Modification of existing statistical reports

The majority of the statistical reports have been subject to more or less pronounced changes.

The major changes can be summarized as follows.

- The addition of new information, e.g. on notional cash pool positions, non-financial real estate assets, equity raised, income and expenses recognized directly in equity, profit or loss for the year and holdings of treasury shares.
- Simplification of information relating to revolving credits and bank overdrafts and credit cards.
- The discontinuation of the items investment and operating loans as well as the items listing loans secured by real estate collateral.
- The complete overhaul of report S 1.8 «Securitizations and other transfers of receivables by credit institutions». As the amendments to Regulation ECB/2021/2 are consequential, it has become necessary to define new sub-tables to incorporate the new requirements.

3 Integration of the new ECB requirements into the BCL's statistical collection

As the requested changes do not fundamentally call into question the current architecture of the reports, it has been decided to maintain the existing tables while incorporating the additional information mentioned above.

4 BCL's statistical reporting

Based on the information presented above, the complete inventory of statistical reporting that credit institutions must periodically submit, as well as all the instructions for the establishment of statistical reporting, are published and can be downloaded from the BCL's website at the following addresses:

<http://www.bcl.lu/fr/reporting/banques/index.html>

<http://www.bcl.lu/en/reporting/banques/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 respecting the quality requirements as well as the reporting delays. This point is all the more important since the ECB will check the data collected 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 establishes and 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 the data relates to. Therefore, it is essential 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 Implementation of the new collection

Reporting is mandatory from the January 2022 deadline; the first reports are therefore those relating to the end of January 2022.

8 Test phase

Credit institutions wishing to do so can participate in a test phase, which will begin in September 2021. Monthly mailings will be possible from October 2021 for the September 2021 reference period. Quarterly mailings will be possible for the reference period of the fourth quarter 2021.

The BCL will inform the credit institutions of the results of these tests and, if necessary, will ask the entities concerned to carry out further test mailings in order to eliminate any remaining quality problems.

Yours sincerely,

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