



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Template for comments

Public Consultation on Money Market Statistics Regulation

Institution/Company

European Banking Federation

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

The European Banking Federation (EBF) welcomes the consultation on the draft Regulation amending Regulation ECB/2014/48: the Money Market Statistical Reporting (MMSR) Regulation. However, we consider the timeframe for the consultation and implementation very tight

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	Page	Type of comment	Detailed comment	Concise statement as to why your comment should be taken on board
1	Article 2	5	Amendment	The 20 days for entry into force of the new Regulation would not allow sufficient time for the institutions to carry out the IT developments necessary to accommodate the new requirements including the huge allocation of personal to ensure the proper segregation of duties. Although the ECB has not communicated yet on a start date, the documents imply that it would be at the beginning of the year. If this is the case, we consider 1 January 2019 would be problematic as will conflict with the year-end reporting which is already very burdensome.	Short-term implementation timeframe is a substantial concern as banks need extensive planning ahead of changes.
2	Article 1	1	Clarification	New definitions of financial corporations should align with the definition used under Securities Financing Transactions Regulation (SFTR), European Market Infrastructure Regulation (EMIR) and Markets in Financial Instruments Directive (MIFID) reporting to avoid the burden of having more than one classification of financial counterparties. We urge regulators to examine the mismatches and to agree on common definition to reduce the burden of collecting similar data for different reportings on the customers. This would provide consistency and higher quality in the MMSR reporting as well as in other reporting. A common definition will also be beneficial for reporting agents as they will have a better understanding of the information they need to provide.	Aligning the definitions of Financial Counterparties across regulatory reportings will help the banks reporting and the reporting agents providing the information.
3	Article 1, Annex 1, Annex 2, Annex 3	1	Clarification	Using the LCR Basel III definition of wholesale corporates proves a challenge for some reporting agents. 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. Basel reporting the reporting is on aggregate level, whereas MMSR reporting is organized by 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.	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.

4	Annex 4		Amendment	The main challenge for banks is about resources planning. Given that IT funding and change in resources are scarce, and IT planning is traditionally done on a calendar year basis, banks must continuously prioritise and reallocate resources to implement improvements or fixes to different regulatory reporting solutions. Added to that is the recurring changes to existing reporting regimes calling for smaller or larger projects to be squeezed in within the planning horizon.	Will increase the likelihood of ECB to get improved data-quality.
5			Clarification	The ECB should clarify how it will check compliance against LEI requirements. If we do not have a LEI, we must use the counterparty location requirement. However there are no details about what the procedure would be if a LEI exists and we have not been able to report it.	Clarity is needed on Legal Entity Identifier (LEI) reporting compliance.
6	Generic comment regarding draft regulations from ECB		Clarification	We support adapting the requirements in order to improve the data quality and set up more strict requirements for delivery. We however find the process and timeframes of the changes an obstacle affecting primarily the planning and budgeting processes in large cost based banking entities. 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 by the end of the year what will be changed in the MMSR reporting for the next year and when it should be delivered. This would make it possible to ask for sufficient funding, and to ensure that the right busines and IT resources can be allocated to do the work with good quality.	The likelihood of improving the reporting as intended will increase, but it takes time to: 1. get funding 2. get business and IT resources 3. write requirements 4. create code 5. test code and 6. put into production
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					
31					
32					
33					
34					
35					
36					
37					
38					
39					
40					
41					
42					
43					