

Data Governance Framework: Bank of Canada



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Agenda

- Bank of Canada statistics program overview
- Canadian financial regulatory framework
- Internal governance process
- External governance process
- Current environment
- Key challenges and planned improvements



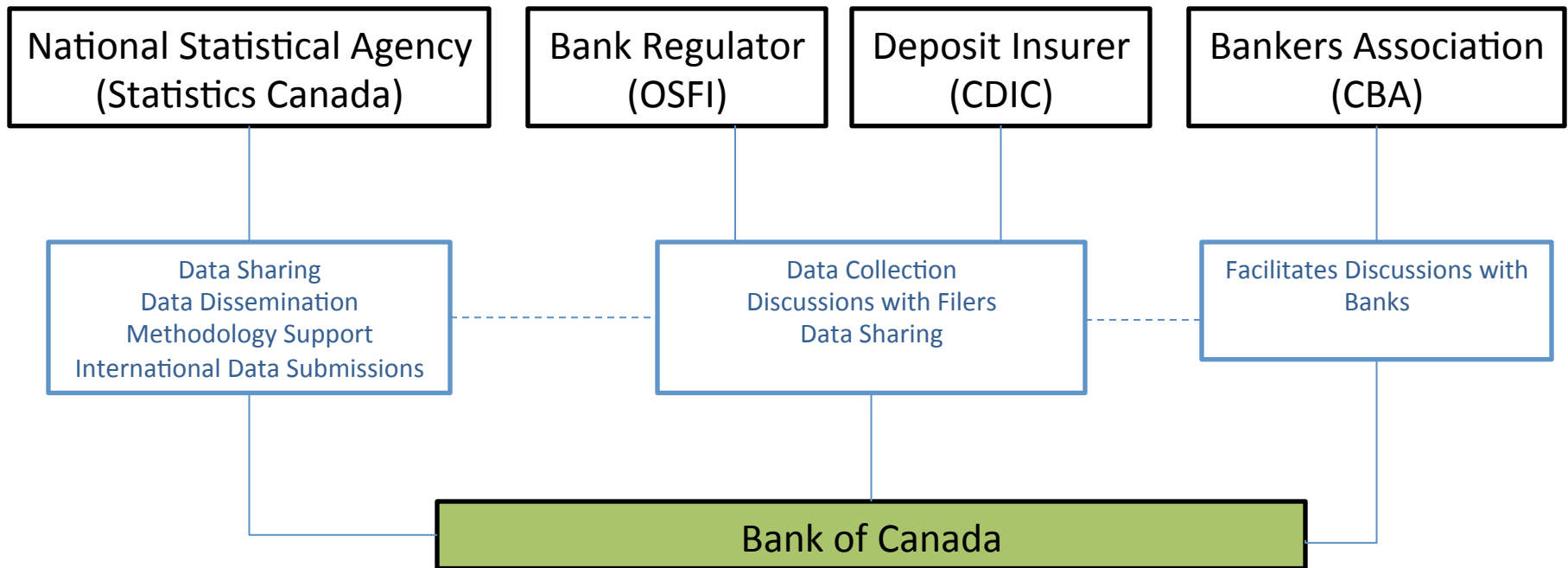
Bank of Canada Data & Statistics Office

- Mission: *“To provide high quality data, information services and business support to the Bank’s Monetary Policy and Financial System functions.”*
- Key contributions
 - Monetary and credit aggregates
 - Chartered bank data collection and analysis
 - Exchange and interest rates
 - Securities database
 - International data submissions

Internal Governance – *General Practices*

- Centralized data contract management
- Pooled resources – greater efficiency
- Centralized data repository (Data and Statistics Office)
 - Transparency of data availability
 - Ease of access
- Formal process to request new data purchases
- Structured approach to data storage
- Enhancement of data dissemination processes

Canada - Integrated Approach to Banking Data





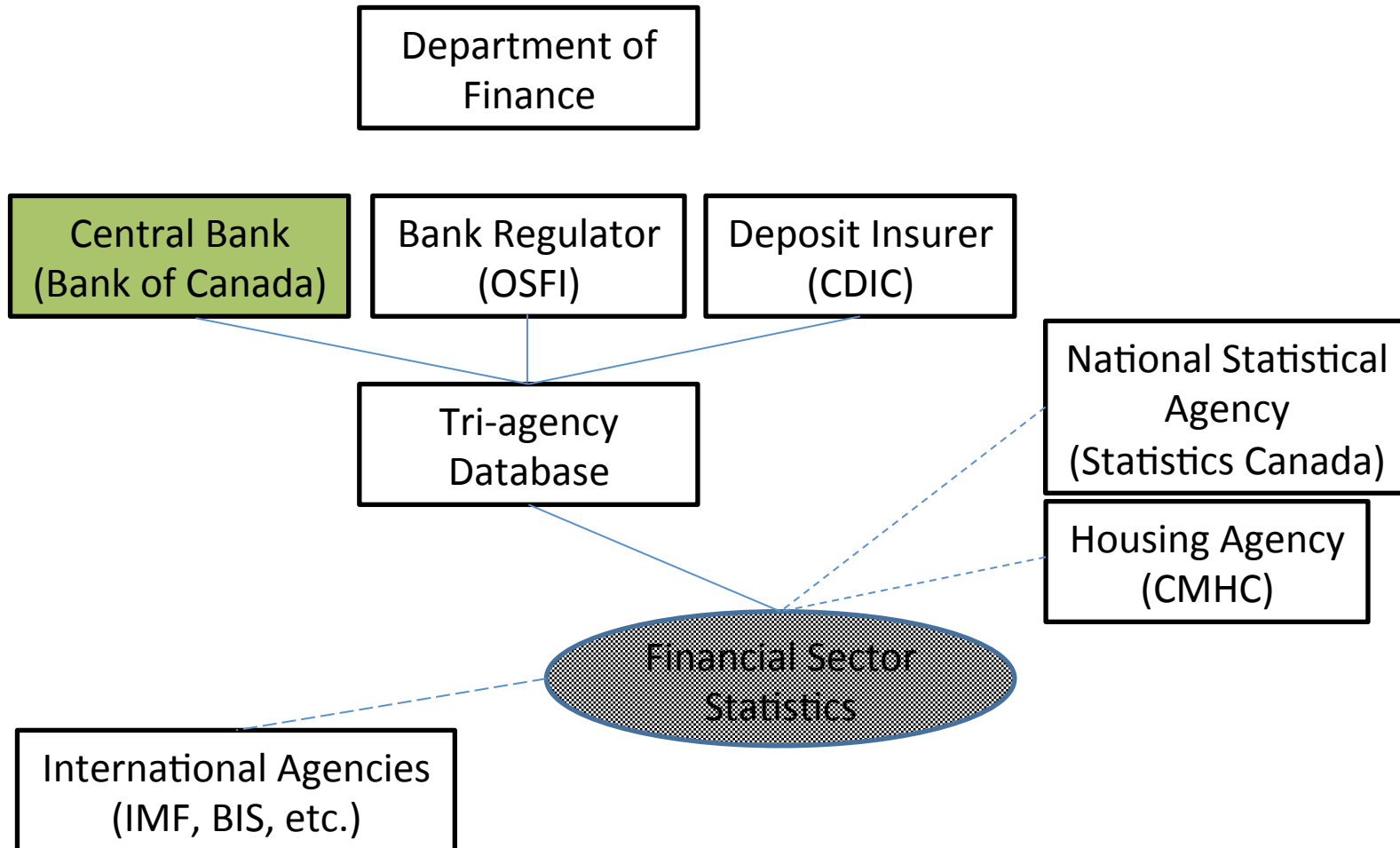
Internal Governance – *banking* data

- Multiple BoC business lines with differing analytical focus
- Evolving needs and varying data priorities
- Significant requests compiled and presented to senior management by Data and Statistics Office (DSO), with joint approval of prioritization required
- Formal request and rationale required for all new requests
- Ongoing regulatory data planning process conducted by DSO
- Fill data gaps and anticipate emerging requirements
- Provide analytical context to collected data





Canada – Financial Sector Statistics Framework and Data Flow





External Governance – *banking* data

- Work closely with tri-agency partners and Statistics Canada
- Collaboration with international agency partners (eg: BIS, IMF)
- Internal priorities considered alongside external requirements
- Ensure requirements are aligned and that definitions and concepts are consistently applied
- Allow for joint prioritization of requests
- Jointly present final requests to financial institutions
- Allow for discussion with banks (feasibility, quality concerns)



Current Environment – Balancing Priorities

Domestic data requirements

- Internal data gaps
- Emerging policy needs

International initiatives

- G-20 data gaps initiative
- FSAP exercise recommendations
- Basel III requirements

Current Environment – Addressing Data Gaps

- Shared responsibility (StatCan/BoC/OSFI/Finance)
- Enhancements developed in consultation with tri-agency partners and in alignment with existing frameworks
- Multiple international requirements prioritized with internal analytical requirements in mind
- Canada represented on many international working groups, and historical contributors to most international programs
- Canada is/will be largely in a position to meet data gaps where a conceptual/statistical framework exists



International Banking Statistics

- Example incorporating international requirements, Canadian requirements and BoC-specific requirements
- Information on geographical distribution of assets and liabilities
- Enhancements provide greater counterparty sector and maturity details – tied to G-20 data gaps initiatives



Interbank and Major Exposures Return

- Requirement to build an understanding of the inter-linkages within the financial system and evaluate the resulting systemic risk
 - Concentration risk
 - Spillover risk
- Feed into Bank's macro-financial risk assessment framework
- Enhancements to international banking statistics complements this internal initiative

Challenges

- Large scale multi-dimensional returns (exposures broken down by assets class, maturity, currency, etc.)
- Systems upgrades (both internally and within banks) to address evolving data demands, both in type and volume
- Adequate subject matter knowledge and traditional quality analysis techniques

Bank of Canada Response to Challenges

- Improved internal governance and prioritization of data requirements
- Increased collaboration among tri-agencies, with national statistical agency, and with reporting banks
- Broadened network with other central banks and statistical agencies
- Developing new data collection system which meets evolving data demands/functional requirements
- New staffing mix within the Data and Statistics Office, new positions, focus on training

Opportunities for Further Improvement

- Closer ties and increased data sharing between the tri-agencies, Statistics Canada and CMHC
- Greater usage of risk-based Basel capital adequacy reporting data to supplement balance sheet/statistical data
- Tri-agency working group focused on data rationalization
- Revised regulatory data planning cycle – more frequent communication and earlier identification of key requirements



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Thank you for your time

Questions?

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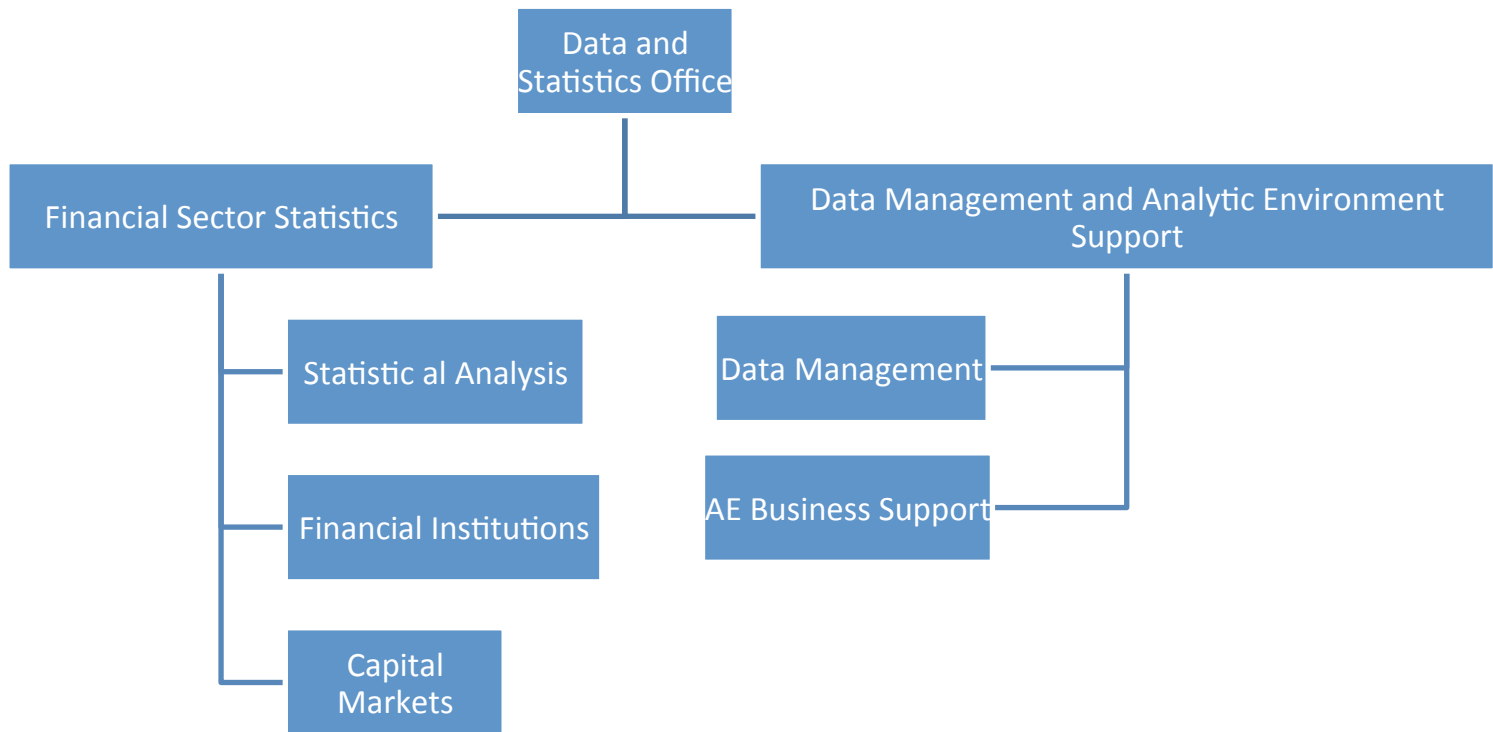
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Appendices

Appendix 1: Prioritization of new data requests

- Criteria include:
 - Relevance to current and future analysis
 - Relevance to multiple departments
 - Availability
 - Quality of data
 - Cost
 - Operational impact
 - Urgency

Appendix 2: DSO's Organizational Structure



Appendix 3 - Key Acronyms

BoC – Bank of Canada

CBA – Canadian Bankers Association

CDIC – Canada Deposit Insurance Corporation

CMHC – Canada Mortgage and Housing Corporation

DSO – Data and Statistics Office

FSAP – Financial Sector Assessment Program

OSFI – Office of the Superintendent of Financial Institutions

StatCan – Statistics Canada