



Intraday Liquidity Reporting – Extract of survey findings

Industry status and the case for a common global approach

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This extract provides a short summary of the response to some of the key questions raised by many people in the financial industry since the BCBS Intraday liquidity monitoring tools have been published in April 2014. To receive a free copy of the full survey report, please send a request to Catherine Banneux, Senior Market Manager, SWIFT at catherine.banneux@swift.com.
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How close is the community to meeting the BCBS deadline of January 2015?

As a key highlight 68% of banks surveyed have initiated a project related to the BCBS monitoring tools. Of this number, 37% have started the initial evaluation and 31% are in the implementation stage. Many countries have indeed not yet translated the tools into detailed implementation requirements.

It is a surprise that the evaluation process has not been started by a larger number of banks amongst those impacted by the BCBS, as the rules specify that banks should reach the full scope of the reporting requirements by January 2017 (conditional to the national regulator's authorization) which is only two years away.

How is the process differing internationally? Are different regions taking different stances? Is regional variation getting in the way?

There are substantial regional differences that come through from the survey results. 64% of European banks have either initiated or began implementing their projects, as opposed to only 50% of the Asian-based banks that are in evaluation mode. At the same time 78% of the banks that have started the implementation process are based in Europe and in North America. It is no surprise to find many UK and US banks amongst them because of an existing strong regulatory framework for intraday liquidity prior to the BCBS intraday tools publication. Other countries for which this topic is already on the agenda of the local regulator include Sweden, the Netherlands, and Singapore (see also regulatory status in section 2 of our white paper '[Intraday Liquidity - The case for a pragmatic solution](#)').



Ⓐ BCBS Intraday liquidity monitoring tools - regional project status

What common issues around data do banks face?

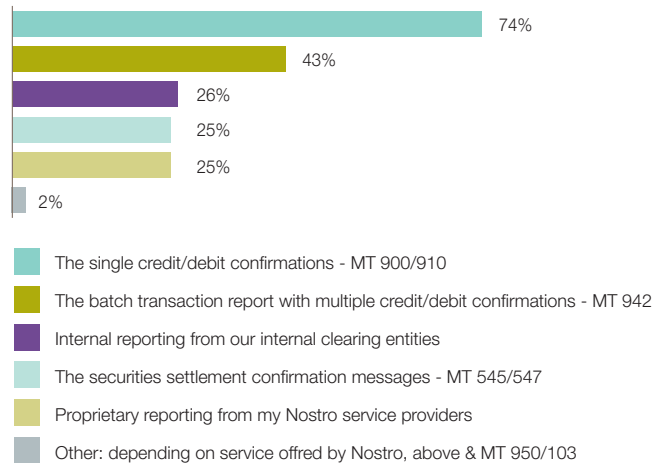
Most banks have issues at three levels:

- Availability of timed data: 61% of banks mention a coverage issue in intraday liquidity reporting for the Nostro accounts, 23% an issue for the coverage for the ILR from the high-value payment system (HVPS), and 71% an issue for the coverage of internal reporting by the internal clearing entities.
- Centralisation of data to get a global view of liquidity positions: typically many larger institutions have not yet centralised the management of their Nostro accounts and fully integrated their treasury systems across currencies.
- Global view of intraday positions: 42% of respondents to the ILR survey don't have a global view of their intra-day positions at the level of data aggregation required by the monitoring tools. Reporting at a global level requires standardized and centralized data collection with identification of legal entities (LEI).

How much could industry cooperation help in solving these issues – therefore speeding-up the readiness process at a global level? Are banks keen to effectively work together?

One of the key highlights of the survey is about collaboration. 89% of respondents think a collaborative approach by banks is either essential or very important to help reduce the overall implementation cost for the industry and increase the pace at which the intraday liquidity data challenges can be solved.

Responding to questions on the highest priorities for the industry, 69% chose a common intraday messaging practice (69%), and 67% wanted data management practice – described as a best practice on data extraction, matching and aggregation to feed the intraday liquidity transactional repository used as a data source for the regulatory reporting.



ⓘ Types of transactions that will be used for the BCBS reporting as a user of correspondent banking services

How easy would it be to establish an intraday liquidity reporting messaging best practice?

The fact that the data sourcing approach planned by banks for the implementation of the BCBS monitoring tools is highly consistent – 74% of banks will use the credit/debit confirmations (MT 900/910) in the first instance to build their liquidity monitoring tools – is rather reassuring as this confirms that collaboration could deliver substantial benefits. As a first and very important example to illustrate how standards and practices will adapt: SWIFT has responded to its community and will include a specific date, time and time zone field for the message types MT 900/910 in the 2015 FIN release.

SWIFT has also been supporting the Liquidity Implementation Task Force (LITF) with the development of an intraday liquidity reporting rule book aimed at creating and supporting the adoption of a common industry business practice for intraday liquidity messaging. SWIFT has also initiated the development of an industry 'best practice' on data management.