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Session 5

Issues related to globalisation

Connecting the ESCB Business Register with other Supranational Sources

Group of Experts on Business Registers
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1 **RIAD as a 'statistical' business register**

Introduction

STAGE 1: Current main features and Data Governance

2 **First usage of GLEIF data**

3 **Broader usage of non-resident data**

STAGE 2: RIAD 4.0 and the incorporation of non-resident information

4 **Broader usage of supranational data**

STAGE 3: Incorporation of supranational data

The Register of Institutions and Affiliates Database (RIAD)

- **collects business information** from individual members of the European System of Central Banks (ESCB) and National Banking Supervisors (NCAs)
- represents by original design a business register **supporting statistical proposes** (while today serves multiple business needs)
- aims at providing **information on reporting population** for euro area *financial statistics* which is
 - complete
 - timely
 - accurate
 - homogenously defined

- **Comprehensive data model**

incl. reference data on units plus relationships among them

A. Identification – such as *identifiers, address*

B. Stratification – such as *industrial activity, geographical allocation*

C. Demographic developments – such as *birth/closure date, corporate actions*

D. Relationships between units – such as *ownership, control, (fund) management*

- Currently (Sep 2017) RIAD includes around *450,000 institutional units* and more than *6,000 groups* (i.e. 2 or more linked entities)
- Based on (capital) ‘ownership’ and/or ‘control’ relationships **various types of conglomerates** (‘banking groups’) can be registered

1 – STAGE 1: Main Features and Data Governance (1)

- **STAGE 1:** originally solely based on **domestic sources**
 - local ‘competent’ NCBs as main gateways to RIAD (host country principle)
 - ECB manages non-EU entities on reasonable effort basis
 - Exception of the ‘domestic’ principle only for registering ‘cross border’ relationships (i.e. forming group structures across multiple jurisdictions)
- **Multiple source** management
- Full **historisation** of all data

1 – STAGE 1: Main Features and Data Governance (2)

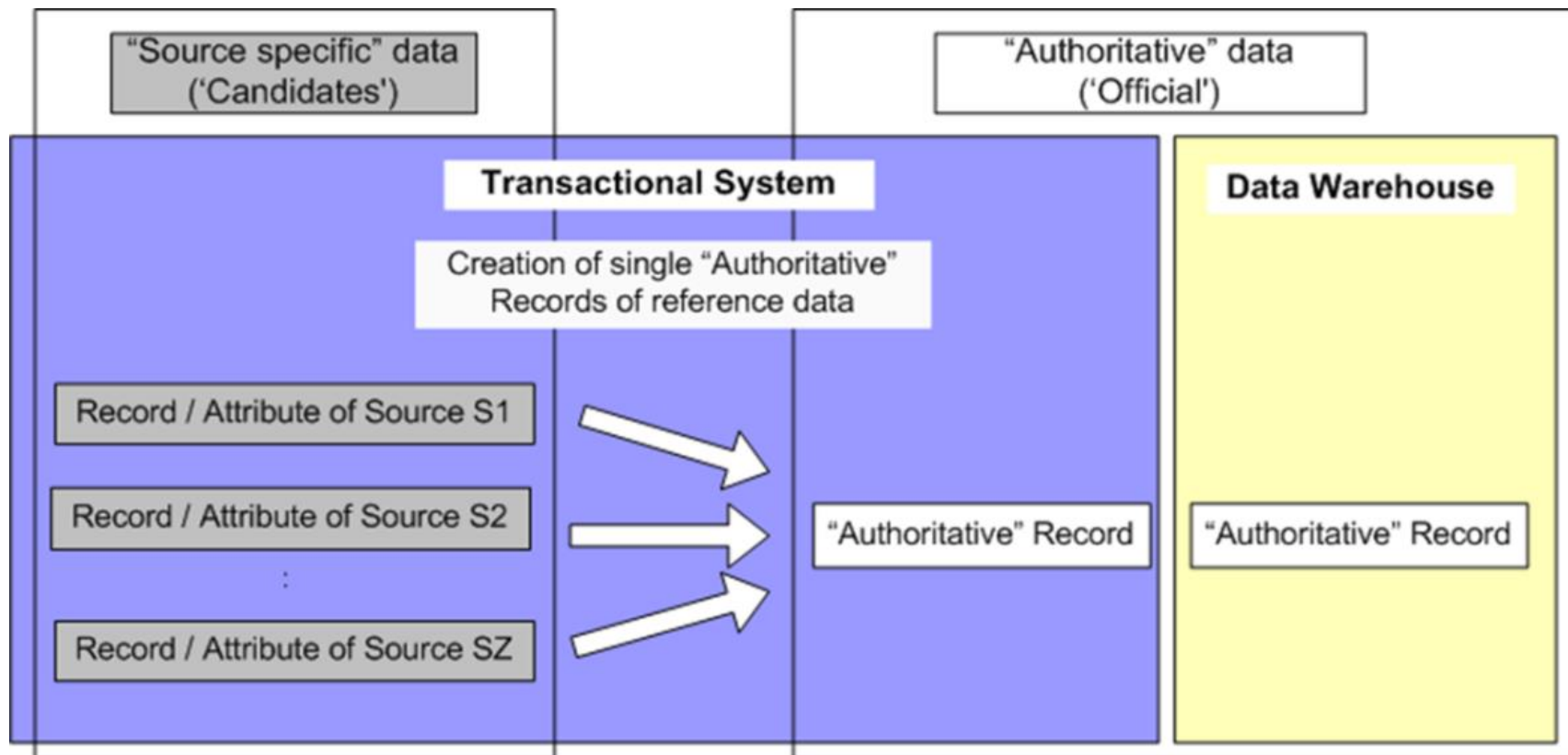


Figure 1 Compounding and the generation of authoritative records

2 – First usage of GLEIF data (1)

- Special business case: **‘Money Market Statistical Reporting’ (MMSR)**
 - application that uses the LEI as sole identifier of an entity
 - based LEIs the MMSR retrieves reference data from RIAD
 - for cases that cannot be retrieved from RIAD → **connection to the ‘Global Legal Entity Identifier Foundation’ (GLEIF)** database via an **external tool** (i.e. a module not yet directly integrated into RIAD)

2 – First usage of GLEIF data (2)

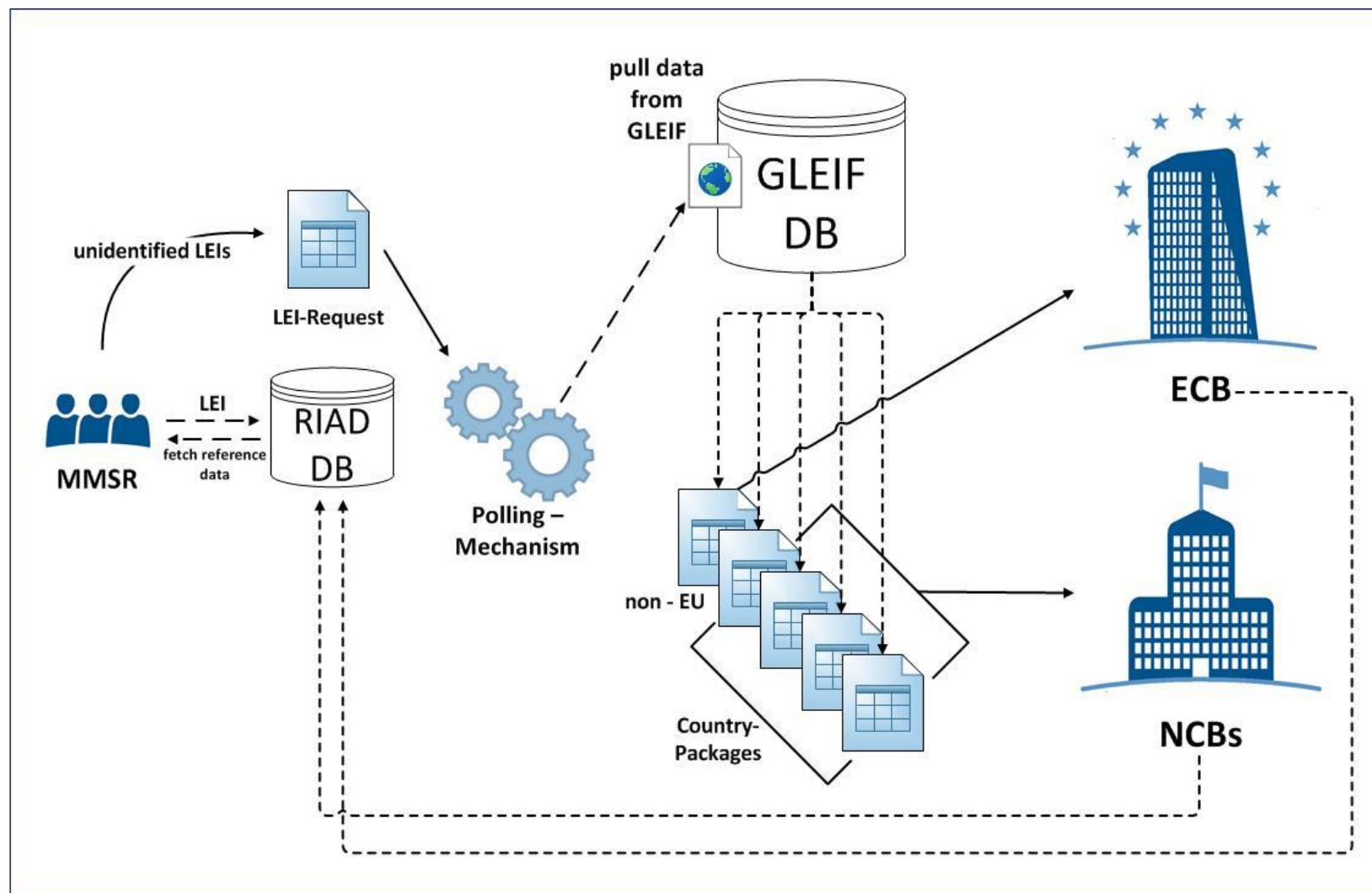


Figure 2 Workflow to register missing LEIs (or Counterparties) needed for MMSR purposes in RIAD

3 – Broader usage of non-resident data

- **STAGE 2:** Upcoming **RIAD major release** (RIAD 4.0):
 - Incorporation of non-resident information on **individual attribute level**
 - stored under dedicated sources
 - backed by a proper governance framework and specific technical compounding rules
- Challenge: To prevent proliferation of duplicates through the creation of non-resident entities ...
 - ... in particular in the context of a new forthcoming data set registering a high number of counterparties (AnaCredit)
 - technical solution:* ‘duplicate identification mechanism’
 - governance:* ‘manual’ identification of critical cases in local DQM process

4 – Broader usage of supranational data

- **Envisaged STAGE 3:** systematically open up RIAD to allow for **incorporation of supranational sources**
- Same challenge: prevention of proliferation of duplicates
technical solution:
 - dedicated ‘staging area’ integrated into RIAD
 - combined with already implemented ‘duplicate identification mechanism’*governance:* identical to previous STAGE 2
- Currently four supranational datasets of particular interest:
 - Eurogroup’s Register (EGR)
 - Global Legal Identifier Foundation (GLEIF) data
 - EU’s Transparency Directive (ESMA)
 - FINREP/COREP dataset

Thank you for your attention!