

Supervisory Reporting Workshop

Common data dictionary – EIOPA's view

22nd February 2024

EIOPA REGULAR USE

Summary

- Why we need a common data dictionary?
- Different potential use cases for this dictionary
- What information the dictionary should contain to be able to support the identified use cases
- An overview on the additional general requirements for the data dictionary
- EIOPA's view: open for discussions
- EIOPA: the Data Point Model methodology and the single insurance and pension funds glossary

Why we need a common data dictionary?

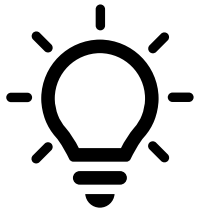
Strategy on supervisory data in EU financial services (DG FISMA):

- Building such a dictionary will be the key to ensure consistency of reporting requirements and achieve more data standardisation.
- Will also make easier to share and reuse the data for different purposes.



Workshop on building a common data dictionary in EU financial services, on the 20th October 2023:

- Bring together experts to present and discuss their expectations for a common data dictionary, including the main use cases and the design requirements.
- Get an overview of the state of play on the development of sectoral data dictionaries in the area of banking, insurance, pensions and financial markets.



Different potential use cases for this dictionary

1. Interpretation of reporting requirements

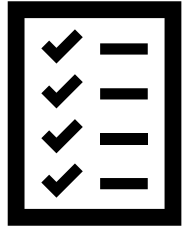
- Both, authorities and reporting entities, would use the common data dictionary to find the reporting requirements of interest.
- It would also show how a reporting requirement has evolved over time (e.g. to let reporting entities analyse changes needed to adapt processes to revised requirements).
- Reporting entities can obtain a comprehensive and unambiguous understanding of how to comply with a reporting requirement.



Different potential use cases for this dictionary

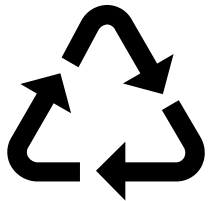
2. Verification if certain data is already being collected

- An authority would use the common data dictionary to verify if certain data is already being collected.
- Users would find existing similar data elements that (at least partially) satisfy the new reporting needs.



3. Defining a new or amending an existing reporting requirement

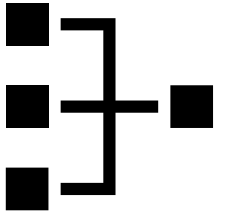
- An authority would use the common data dictionary when defining new or amending existing reporting requirements.
- Reusing existing concepts as much as possible and only introducing new ones if necessary.
- It would also reveal any gaps in the specifications or inconsistencies with other requirements.



Different potential use cases for this dictionary

4. Facilitating integration of reporting

- Ensure a set of uniquely definitions to describe the reporting requirements ('define once' principle)
- Avoid duplicated reporting of the same data under multiple requirements ('report once' principle).
- Gradually integrate redundant concepts ('semantic integration' process)

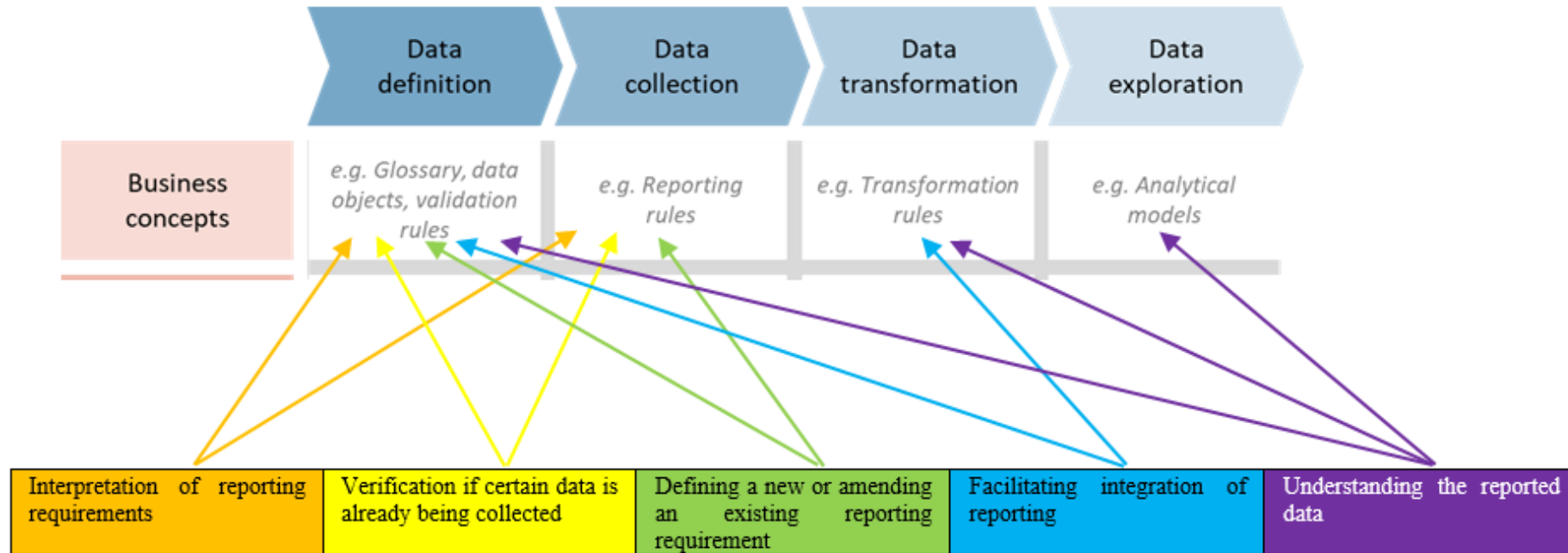


5. Understanding the reported data

- This would require a sufficiently comprehensive description of the collected data without any ambiguities, including a link to the underlying reporting requirement.



Different potential use cases for this dictionary



EIOPA's view:

- The main goal should be to improve efficiency: EIOPA priorities are the 3 initial use cases.
- The remaining 2 will come at a later stage.

What information the dictionary should contain?

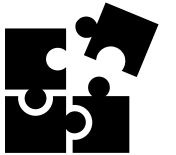
1. Glossary of concepts

- It would contain terms and definitions of a set of concepts (including possible multiple terms and/or definitions for the same concept)



2. Repository of data elements

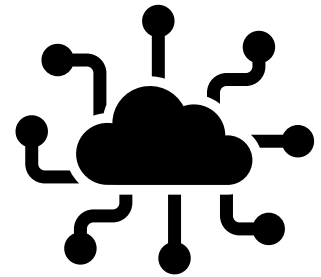
- It would contain a complete, consistent and structured description of the meaning and the possible values of all basic units of data (data elements) reported, using the concepts from the concept glossary



What information the dictionary should contain?

3. Repository of reporting requirements

- It would contain a comprehensive and structured representation of all relevant reporting requirements:
 - **who** are the reporting entities;
 - **what** information should be reported;
 - **to whom** the information should be reported;
 - **when** the information should be reported;
 - if **any additional conditions** to be met for the reporting requirement to apply;
 - reference to the **underlying legal acts**



What information the dictionary should contain?

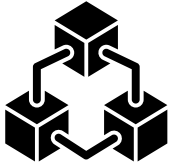
4. Catalogue of collected data

- The data catalogue would provide a description of the data reported to the authorities and not the reporting requirements that lead to the data being reported.



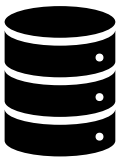
5. Relationships, assertions, transformations component

- It would contain information that represents the various associations between the different pieces of information in the dictionary.

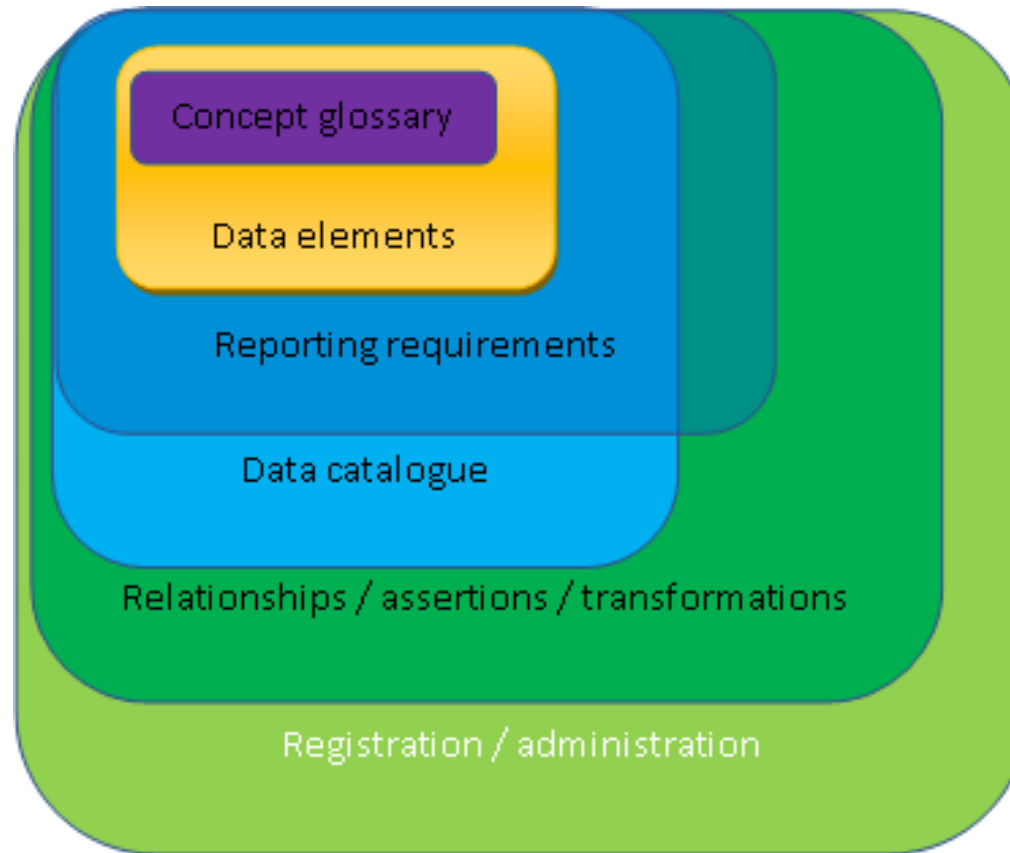


6. Registration and administration information component

- It would support joint management of the content of the dictionary by multiple authorities by holding information on the roles and rights of different users in accessing information in the dictionary.



What information the dictionary should contain?



EIOPA's view:

- These 6 components are not independent parts of the dictionary but complement and build on one another
- Necessary a concepts alignment: starting from a common understanding and language for the first 3 components

Additional general requirements

EIOPA's view: Focus on the initial 5 points.
The remaining 2 will come at a later stage

The content and structure of the dictionary should be:

1. **Comprehensive:** should preferably cover all collected data (prudential, transaction, statistical,...) whatever their granularity.
2. **Focus on data comparability:** should describe data elements consistently to achieve comparability of data
3. **Ready for digital processing:** should enable the digital processing and exchange of its content as well as of the reported data
4. **Technology agnostic:** should be technology-agnostic and compatible with any data exchange standard
5. **Ready for human use:** should be easy to use and understandable by people for analysis and collaborative work
6. **Cover all regulatory data chain processes:** should cover data collection, validation and transformation, analysis and dissemination to support interoperability of different processes
7. **Support joint maintenance by multiple authorities:** should be developed and maintained jointly by authorities overseeing the EU financial system. Its structure and content should support the governance processes of such joint development.

EIOPA's view: Open for discussions

- Next steps: define how to progress, define the priorities, the role of the Commission and of the other Authorities.
- It is necessary to reach a common understanding on the cross-sectorial data dictionary elements. First, an agreement on what a data dictionary should have (clear objectives). Later we can analyse what we are currently missing in our "sectorial" data dictionary (gap-analysis), using a costs-benefit analysis.
- A semantic integration is the basis for common definitions: it implies a gradual implementation and intermediate deliverables.
- It will be an on-going process: the common data dictionary will need also to be maintained
- Cooperate with the reporting entities to maximise cross-sectorial benefits and positive synergies.
- EIOPA suggested to start from an easy-to-understand example as proof of concept (PoC), ideally cross-sectorial: for instance, we could focus on the common data elements among EIOPA and EBA and try to create a common data dictionary only for these elements.



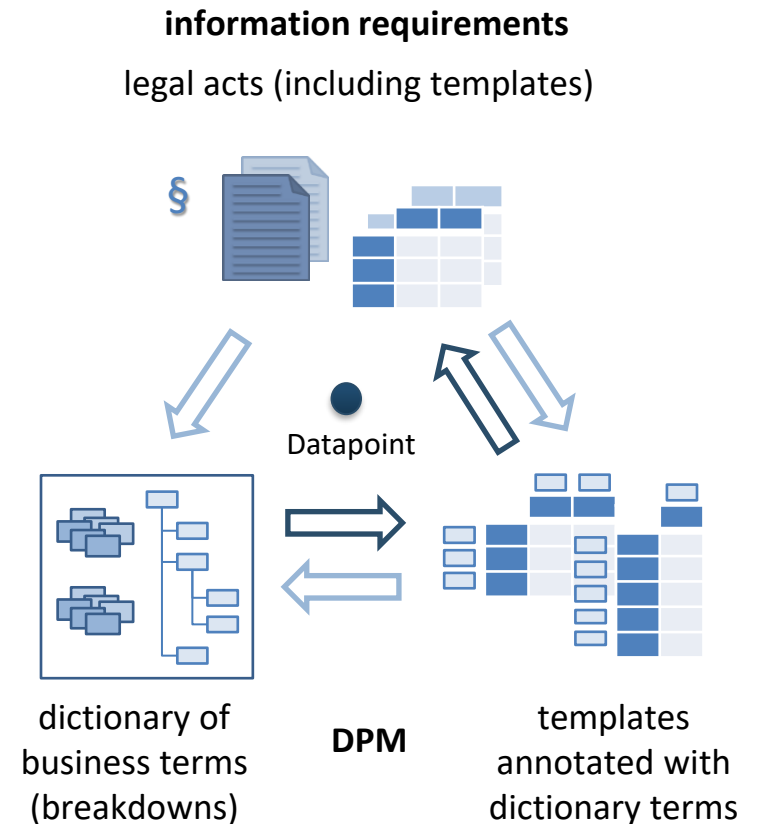
What is the current EBA & EIOPA DPM (DPM standard 1.0 +)

A richer methodology

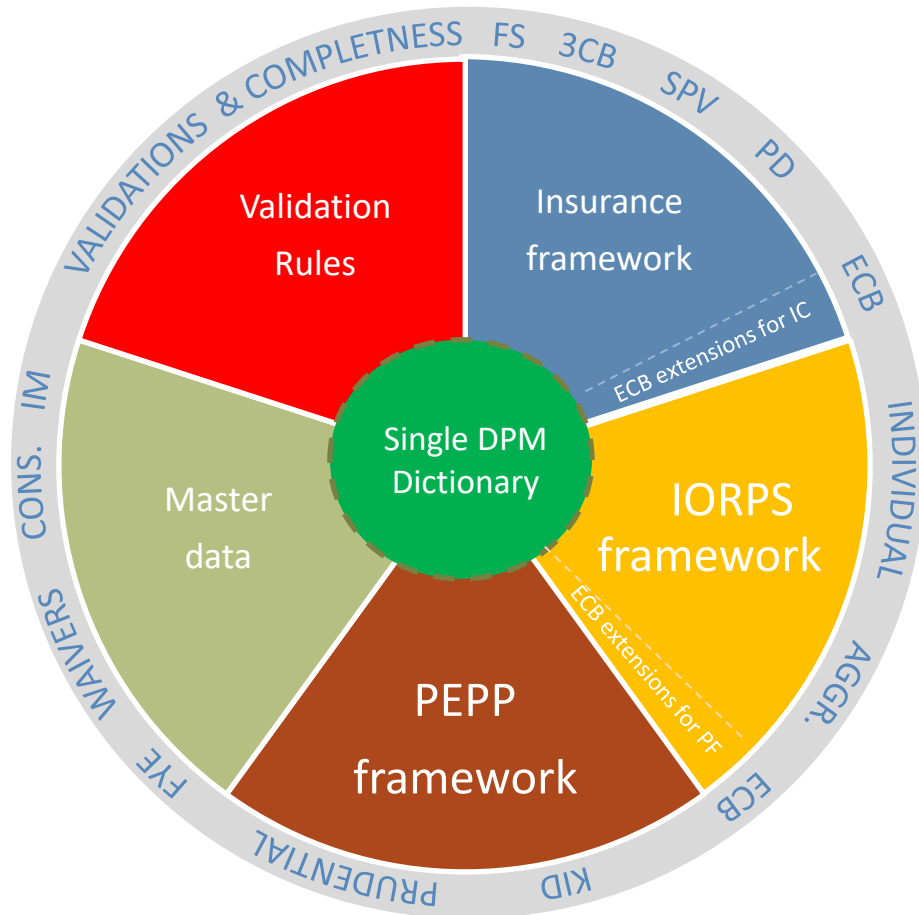
- Which includes several non-ISO features: like templates convention codification, module and framework management, keys of open tables keys, a semiformal validation language, etc.
- Enables the supports the whole reporting chain, from data definition on regulatory processes until the data dissemination

A bigger set of artefacts and tools

- Annotated templates
- Glossaries (dictionaries)
- Validations
- Database based representation
- Derivation of other products: xBRL taxonomies, log of changes



The EIOPA architecture outlined on DPM



- The DPM implements the uniform and consistent definitions included in the implementing technical standards (ITS), guidelines and Board of Supervisors decisions **on reporting and disclosure**
- Provides a structured representation of the information, identifying all the **business concepts and their relations, as well as validation rules**
- It is composed of the annotated templates for the Solvency II, pension funds and pan-European pension products (PEPP) with a **single glossary**
- One model for all data reporting requirements under EIOPA remits (insurance, pensions, PEPP providers, public disclosure) and for the ECB reporting extensions (**“Define & report once” approach**)
- The model facilitates the appliance of waivers and completeness information reporting via the basic information – **Master data**

DPM as core process ...for the regulatory reporting chain

The new DPM standard 2.0

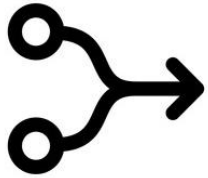


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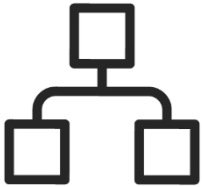


- Documentation of the **DPM 2.0 Refit metamodel**
- Documentation of the **validation and transformation language**
- Supporting documentation** with presentations, diagrams and database models
- An updated EBA and EIOPA common **xBRL taxonomy architecture**

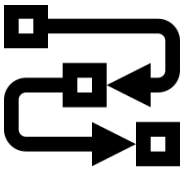
EBA and EIOPA DPM 2.0 Refit project goals



Total convergence of EBA and EIOPA methods, models, processes, and tools used for the development of data dictionaries and related regulatory products



Unified and versatile metamodel applicable to all regulatory data exchanges, from highly aggregated data points to very granular data sets of prudential, statistical or transactional information



Content extensible and interoperable for defining, reusing and exchanging metadata for regulatory data requirements



Enabling the possibility of subsequent **semantic integration** of data dictionaries across different regulatory domains

DPM 2.0 Refit key features



Agnostic

Not bound to a particular data exchange standard



Rendering

Enabling data visualisation in the template layout



Historisation

Keeping track of individual changes of data dictionary concepts across releases



Machine readable and executable

Representation of complex relationships of elements with validations and calculations language



Versatile

Compatible with different approaches for like statistical, transactional, master data, etc,

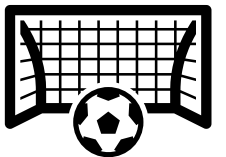


Complete cycle

Supports the whole reporting lifecycle, from data definition to data exploration

EIOPA: summary previous and ongoing work on DPM

- Up-to-date use of IT technologies in data collection and analysis.
- Through a centrally managed xBRL taxonomy and Data Point Model methodology for both insurance and pensions while also covering statistical needs from the European Central Bank (ECB) in these two sectors.
 - As part of the xBRL taxonomy and Data Point Model EIOPA published a data common glossary for insurance and pensions.
- Extensive collaboration with EBA reviewing Data Point Modelling (DPM standard 2.0)
 - envisaging a common syntactic format that supports the data harmonisation of reporting requirements of both authorities,
 - enabling the synergies of a common development of tools for the digital regulatory reporting.
 - EBA, ECB and EIOPA starting the joint venture of “*DPM Alliance*” to govern the coordinated evolution of the DPM methodology beyond the 2.0 version for the EU financial sector under their remits.



Q&A

THANK YOU!

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