



BANK OF ENGLAND



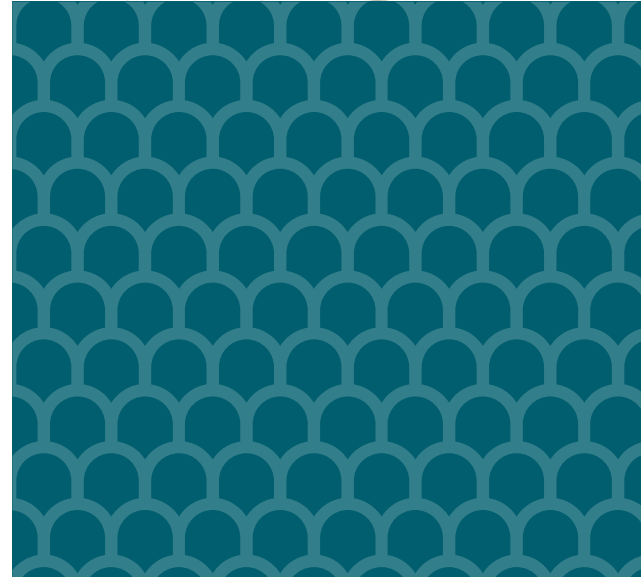
FINANCIAL
CONDUCT
AUTHORITY



Transforming Data Collection

Joint Transformation
Programme December update

09 December 2021



To recap: the birth of transforming data collection

The Bank and FCA have **consulted widely with industry on this topic**, including the Bank's 2020 Data Collection Review.

That process resulted in our decade long **Transforming Data Collection reform agenda**



Common data standards



Modernised reporting instructions



Integrated reporting approach

And our **Transforming Data Collection vision**

'The UK financial authorities* get the data they need to fulfil their missions, at the lowest possible cost to industry'

Message from our director's office

- Reflections on the programme so far
- What we are excited to see in the coming months





Transformation approach

Symptoms of transformation failure: the 'three overs'



Over **promise**



Over **spend**



Over **time**

Our transformation engine



Services

that enable us to meet
our data needs



transformed

and



value proven

for authorities & industry

Our transformation engine



1. Pipeline management

Prioritise & plan which use cases we want to tackle and when



2. Discovery & design

Uncover issues before **designing, testing and evaluating solutions** so that we can **build business cases** which we are confident we can deliver



3. Decision & challenge

Validate issues, solutions and business case **with wider stakeholders**. Adapt if needed, and **make a decision** on what to go ahead with. This stage may include a formal consultation phase



4. Service delivery

Develop solutions and roll out by creating new service, or modify existing service. **Test if service meets user needs**



5. Proof of benefits

Provide evidence the 'transformation engine' has delivered value

The Joint Transformation Programme is focussed on the 'discovery and design' part of the transformation engine.

What goes through our transformation engine

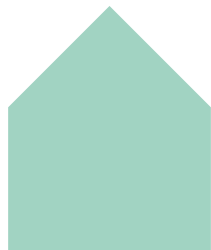
Early use cases...

Smaller in scope and less complex

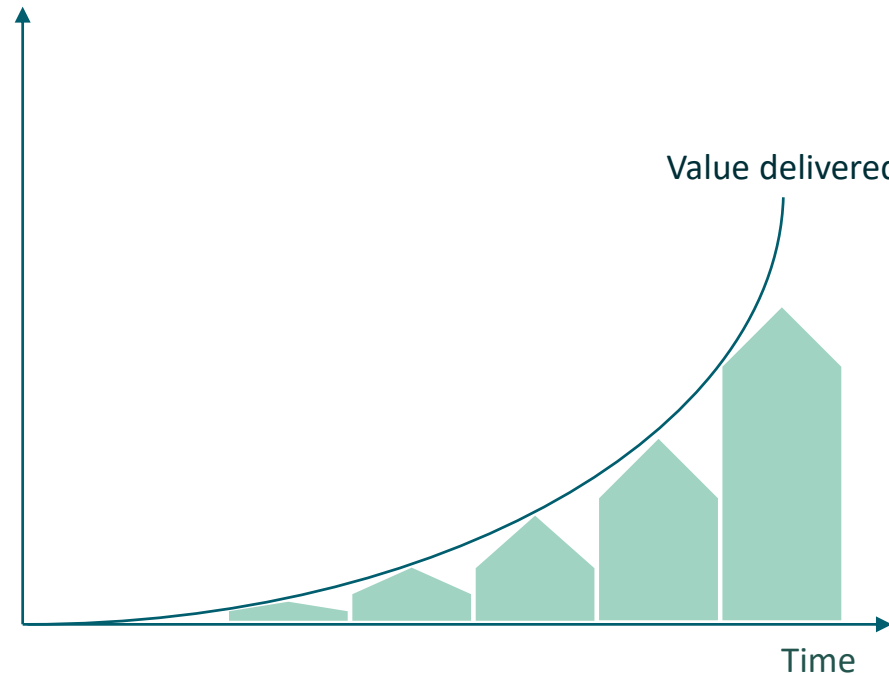


Later use cases...

Wider scope, more complex



Complexity of use cases



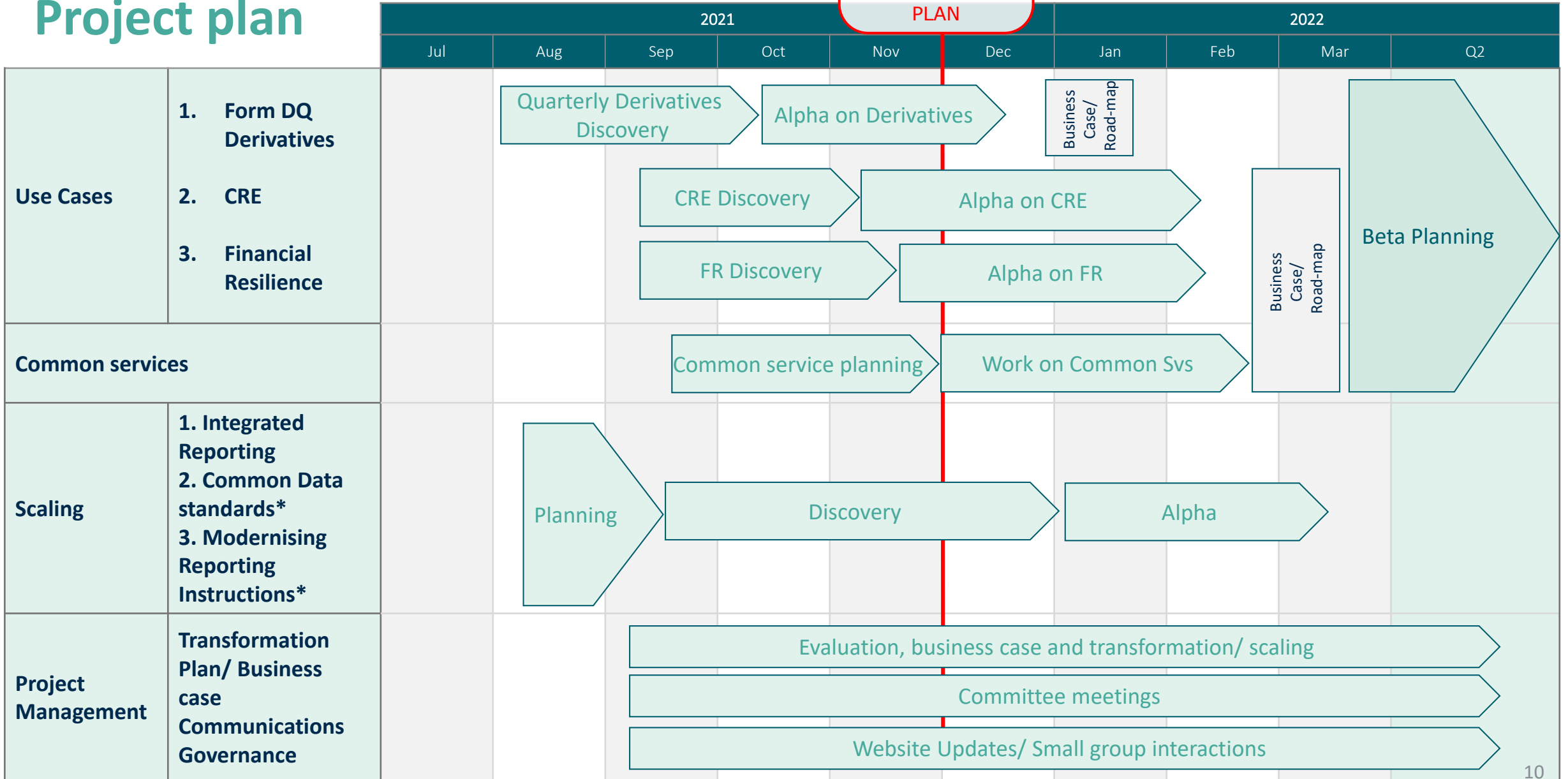
Correct selection of use cases and how we scale up will be crucial to success



Joint Transformation Programme update

Project plan

WE ARE CURRENTLY ON PLAN



Phase one use cases - What have we discovered and how are we going to address the challenges identified?



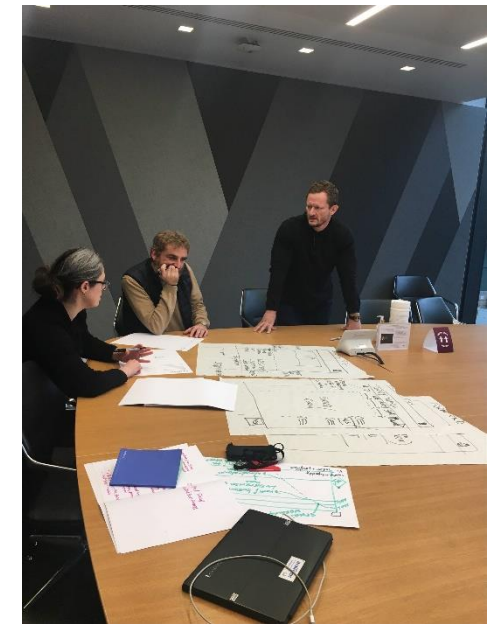
Reform quarterly statistical derivatives return (Form DQ)



Deliver a commercial real estate (CRE) database



Improve the Financial Resilience Survey



Phase one use cases - What have we discovered and how are we going to address the challenges identified?

⚠️
I find it hard to distinguish invalid and implausible data

❓
How can I **spend less time** verifying plausi checks?

❓
How can I find a **consistent** way of classifying counterparties?

⚠️
There are too many ways to classify counterparties

❓
How can we **simplify** our internal reporting so it is easier to reconcile currencies?

⚠️
It takes us a lot of time to reconcile our currency reporting



Industry is advising and governing the programme with us



On 2 November 2021 we held the **kick-off meeting of reporting and data standards transformation board**

- Made up of 22 members from across the financial sector.
- Acts as a forum for discussing issues of common concern relating to reporting and the development of data standards to enable better reporting.

Since July, we have **hosted 8 meetings of the programme's industry governance groups**

- 4 Data Standards Transformation Committee meetings
- 4 Reporting Transformation Committee meetings

The Data Standards Committee has **commissioned a review of data standards**



How can you help?

Request for input to the solution design for our phase one use cases

- Our design process is collaborative, and we wish **to engage all stakeholders with relevant knowledge and expertise** in areas that relate to our use cases.
- We are **asking for input from vendors and others**, to help design potential solutions to challenges we have identified for the use cases.
- We are **requesting third parties propose solutions to issues** identified with the **Quarterly Derivatives return (DQ)** and **Commercial Real Estate (CRE) reporting** use cases. Further information can be found on our web page. The deadline for submissions is **COB Friday 10 December**.



2022/2023 resource update

We expect we will require industry resource to progress the work beyond March 2022.

Developing project plans and proposals

Who? some current participants in the programme

When? from March 2022 to July 2022

Why? To develop project plans for the implementation stage

Test our external facing solutions

Who? 2 days a month from a group of industry users

When? June 2022 to July 2023

Why? To test and feedback on external facing authority solutions (eg website, RegData)

Phase 2 discovery & design

Who? Around 20 FTE from industry

When? from June 2022 to March 2023

Why? To carry out discovery and design work for new phase 2 use cases

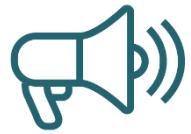
Developing a pilot 'standards-as-a-service'

How much? Around £2,000,000

When? TBC

Why? To develop a 'minimum standard service'

News, events and find out more



We will communicate more and explore different channels to engage with you in 2022



Visit our webpage: <https://www.bankofengland.co.uk/prudential-regulation/transforming-data-collection>



Email us: TDCSecretariat@bankofengland.co.uk