

# Supervisory Reporting Workshop

Common data dictionary – EIOPA's view

22<sup>nd</sup> 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 20<sup>th</sup> 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

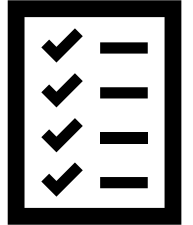
- Both, authorities and reporting entities, would use the common data dictionary to find the reporting requirements of interest.
- It would also show how a reporting requirement has evolved over time (e.g. to let reporting entities analyse changes needed to adapt processes to revised requirements).
-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



# Different potential use cases for this dictionary

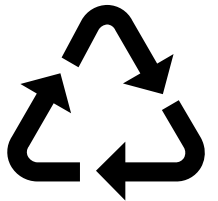
## 2. Verification if certain data is already being collected

- 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

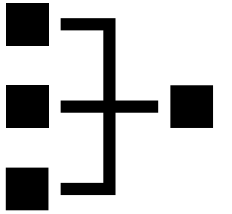
- An authority would use the common data dictionary when defining new or amending existing reporting requirements.
- Reusing existing concepts as much as possible and only introducing new ones if necessary.
- It would also reveal any gaps in the specifications or inconsistencies with other requirements.



# 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)

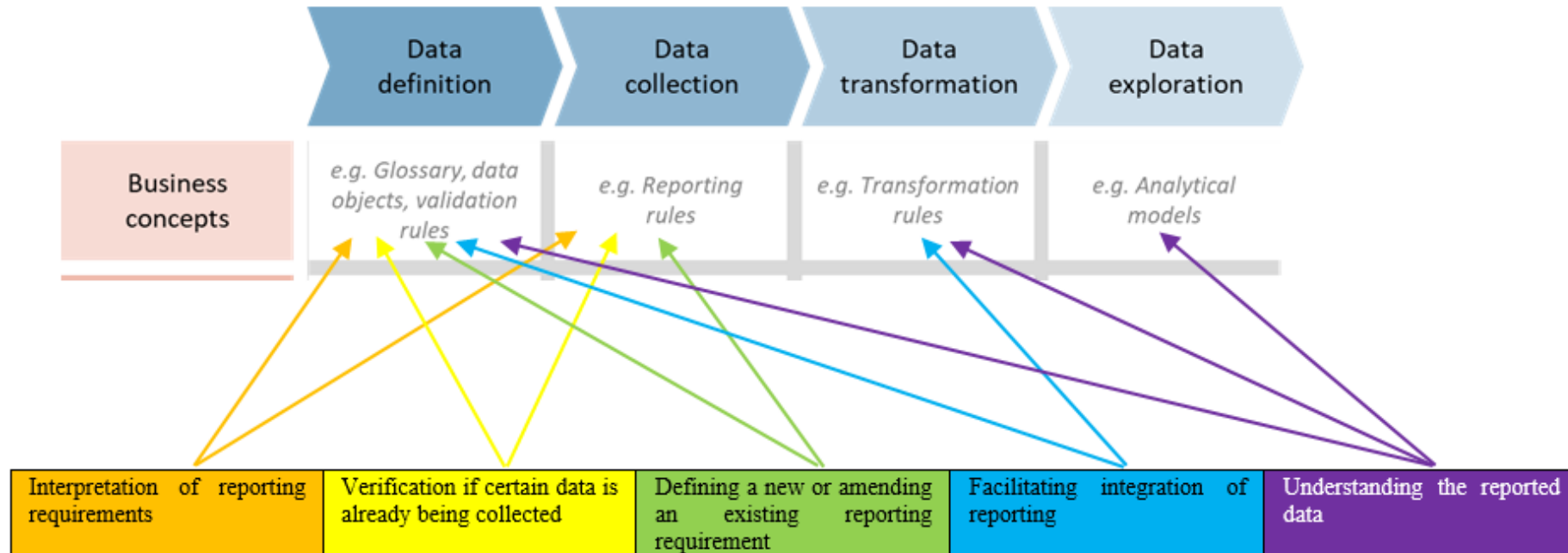


## 5. Understanding the reported data

- 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?

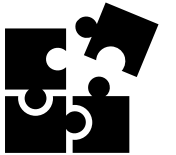
## 1. Glossary of concepts

- 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

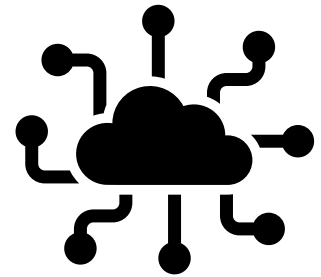
- It would contain a complete, consistent and structured description of the meaning and the possible values of all basic units of data (data elements) reported, using the concepts from the concept glossary



# 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?

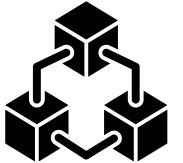
## 4. Catalogue of collected data

- 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.



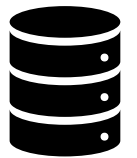
## 5. Relationships, assertions, transformations component

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

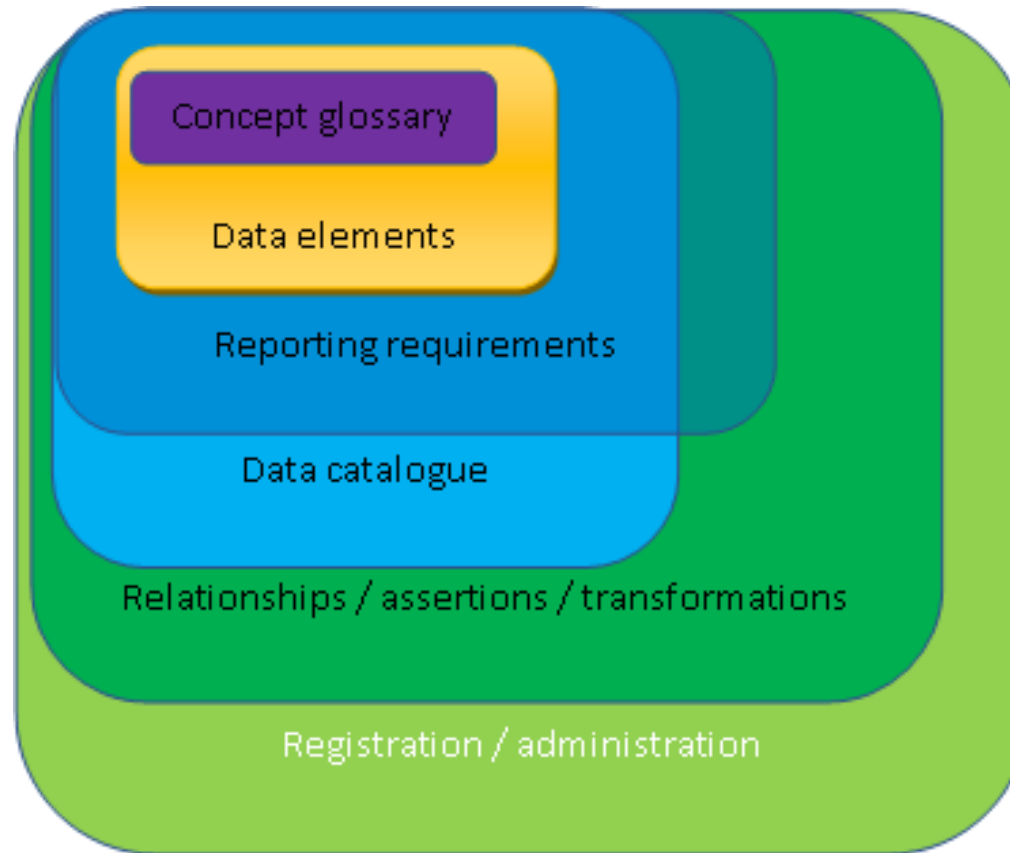


## 6. Registration and administration information component

- 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.



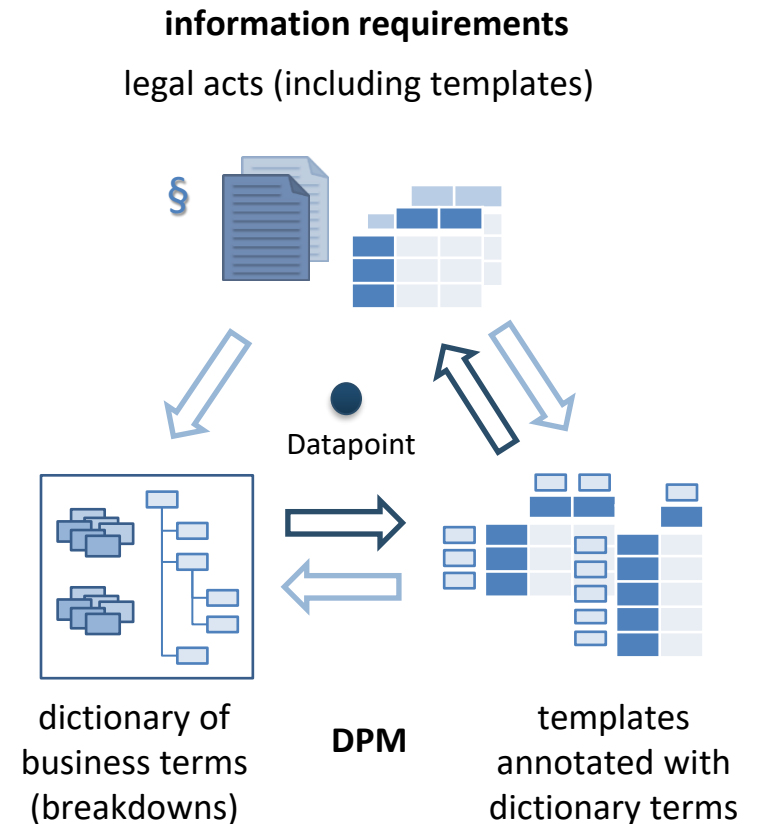
# What is the current EBA & EIOPA DPM (DPM standard 1.0 +)

## A richer methodology

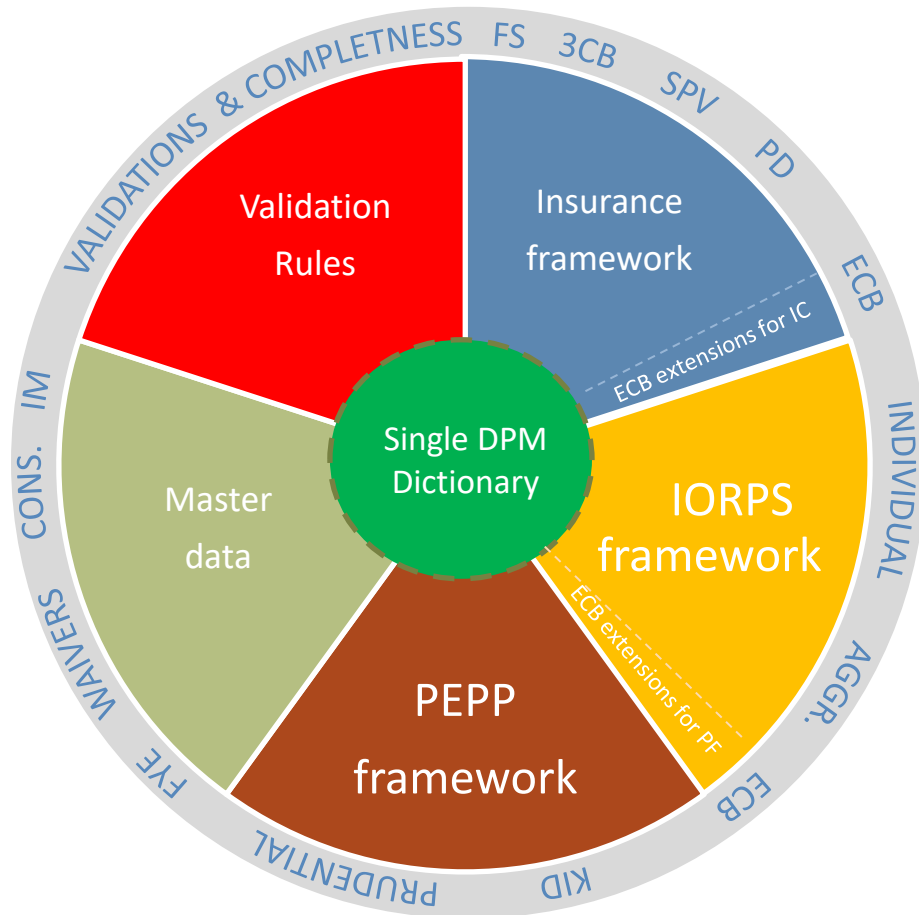
- Which includes several non-ISO features: like templates convention codification, module and framework management, keys of open tables keys, a semiformal validation language, etc.
- Enables the supports the whole reporting chain, from data definition on regulatory processes until the data dissemination

## 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

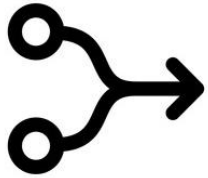


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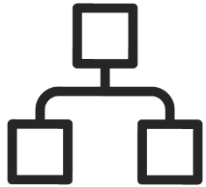


- Documentation of the **DPM 2.0 Refit metamodel**
- Documentation of the **validation and transformation language**
- Supporting documentation** with presentations, diagrams and database models
- An updated EBA and EIOPA common **xBRL taxonomy architecture**

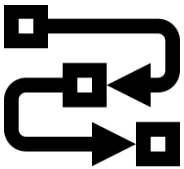
# EBA and EIOPA DPM 2.0 Refit project goals



**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,

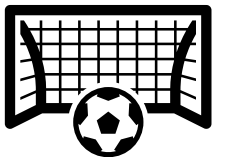


## Complete cycle

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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