



EUROPEAN CENTRAL BANK

EUROSYSTEM

MMSR update

Pascal Nicoloso

OMCG

Frankfurt

8 March 2016

Overview

- 1 Timeline until April 2016
- 2 The transition period April to end June 2016
- 3 Formatting of data
- 4 Publication of data
- 5 Backflows to reporting agents

Overview

1 Timeline until April 2016

2 The transition period April to end June 2016

3 Formatting of data

4 Publication of data

5 Backflows to reporting agents

Timeline until April 2016

The period between December 2015 and March 2016

Reporting agents have received an **Individual Feedback Report** around mid-December on mock-up test data conducted in November 2015:

- General observations/comments *common to all reporting agents*
- Analysis of failed data quality checks *specific to each reporting agent*
- Questions and answers, if any *raised by the reporting agent*

Reporting agents will be in the position of conducting **connectivity tests** from **January onwards until end March**

Timeline until April 2016

The period between December 2015 and March 2016

Testing of the 2 modules currently:

1) Transactional module where banks send their reports

- * Connectivity works for almost all banks

- * Still a couple of banks missing will be ready by 1 April

2) Analytical module where we aggregate data

- * Test ongoing

- * Results satisfactory: results and reports correct

- * Corrections of bugs and errors ongoing

Overview

- 1 Timeline until April 2016
- 2 The transition period April to end June 2016**
- 3 Formatting of data
- 4 Publication of data
- 5 Backflows to reporting agents

The transition period April to end June 2016

- **MMSR Regulation (ECB/2014/48, Article 12):** from 1 April to 30 June 2016, reporting agents will be permitted to report money market statistics for some but not all working days
- Some flexibility allowed in April 2016 but this flexibility will be gradually limited over time
- As of 1 June 2016 the Eurosystem will require reporting agents to provide data for all market segments every day to achieve a full automation of the daily processes from reporting agents to end-users

=> What matters is automation of data transfers, no manual workarounds should be used in the transition period

The transition period April to end June 2016

Period	Requirements
April 2016	<ul style="list-style-type: none">▪ Reporting agents can transmit data at their discretion, but with a minimum requirement of 5 files per week;▪ these 5 files should represent all 4 money market segments at least once;▪ there is no obligation of sending files in a particular day
May 2016	<p>Minimum requirements:</p> <ul style="list-style-type: none">▪ First half (2-13 May): at least 1 market segments each day▪ Second half (16-31 May): at least 2 market segments each day
June 2016	<p>Reporting agents must submit the MMSR data in accordance with the full reporting requirements of the 4 money market segment each business day</p>

=> Some flexibility on the implementation timing

Overview

- 1 Timeline until April 2016
- 2 The transition period April to end June 2016
- 3 Formatting of data**
- 4 Publication of data
- 5 Backflows to reporting agents

- Both the Reporting Instructions and the XML MMSR messages have been developed to be **fully ISO 20022 standard compliant**
- MMSR messages are **under an ISO approval procedure by end 2015** for being officially and globally recognised
- **Harmonisation** which is based on market standards
 - fosters automation of the reporting
 - further clarifies the reporting framework and improves the data quality
 - eases the reporting burden
- **Possibility to make ISO 20022 *the* standard**

Formatting of data (2/2)

- 28 September/ESMA:
 - Recommendation on MIFIR/MIFID technical standards, concluding that ISO 20022 using XML schemas is the best reporting format
 - “Transactions and instrument reference data should be reported in a common XML format and in accordance with ISO 20022 methodology”
- October SIBOS: in a panel discussion, market participants stressed the benefits, for banks operating on an international basis, if ISO 20022 is adopted by as many jurisdictions as possible
- 6 November/Bank of England
 - Bank of England will collect as well Sterling Money Market Daily (SMMD) data
“The draft ISO 20022 Sterling Money Market Daily (SMMD) Reporting message definition is based on the draft ISO 20022 Money Market Statistical Reporting (MMSR) message definition.”

Overview

- 1 Timeline until April 2016
- 2 The transition period April to end June 2016
- 3 Formatting of data
- 4 Publication of data**
- 5 Backflows to reporting agents

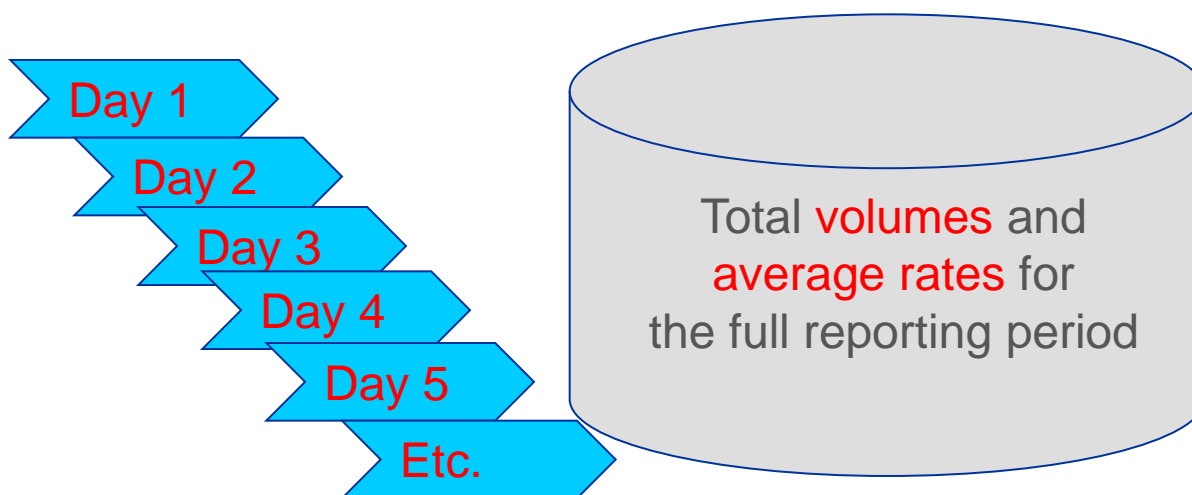
Publication of data

Aggregated publications approach

The retained approach will consist of aggregated publications

Based on total turnover and average rates, similarly with the Money Market Survey methodology:

- Volume is the total turnover of the period under review ie the Maintenance Period
- Rate information corresponding to that turnover
- This information is released per maturity band like in the Money Market Survey



Publication of data

Publications frequency

DATA TYPE	PUBLICATION FREQUENCY	TYPES OF DATA
Activity indicators	MP	Number of tickets, average deal size
Rate	MP	Weighted average of the MP
Volume	MP	Total turnover of the MP
Maturity	MP	Maturity band of the MP
Dispersion indicators	MP	Density reports of the MP
Trading channels secured markets	Every second MP	Total turnover and weighted rates for each of the month of the quarter
Counterparty and collateral selection	Every second MP	Total turnover based on domestic/cross-border/international classifications for each of the month of the quarter
Main short-term securities types	Every second MP	Total turnover and weighted rates per maturity bands per instrument for each of the month of the quarter

=> Starting date: Q4 2016 most probably

Publication of data

The Euro Money Market Survey and Study 2016

In theory, if the Money Market Survey and Study were conducted, they would cover Q2 2016 ie the period of take-off for the MMSR

We will:

1) discontinue the current Money Market Survey and Study

2) publish an overhauled study, based on MMSR data
in a format to be defined

3) exploit qualitative information gathered outside the regular MMSR data collection

Overview

- 1 Timeline until April 2016
- 2 The transition period April to end June 2016
- 3 Formatting of data
- 4 Publication of data
- 5 Backflows to reporting agents**

Backflows to reporting agents

The backflows to banks

Our backflow will follow a few simple principles:

- Give banks what is needed for quality management purposes

=> Quality feedback on individual contributions

Individual summary on banks' own data

=> Individual institution volumes, rates data only