Progress in Common Data Platform and Next Steps

July 2024

Financial Services Agency and Bank of Japan

- The FSA and the BOJ have worked on data integration with a view to **further enhancing their monitoring capabilities and reducing the burden on financial institutions**.

Topic	Detail
Integration and abolition of data templates	● Integration and abolition of templates of data collected by the FSA and the BOJ to avoid overlap.
Unification of submission destinations	● Unification of submission destinations of common data templates using a server system developed by the FSA through which it can share with the BOJ files submitted by financial institutions.
Common data platform	● Planning and arrangement of data items and definitions with a view to collecting granular data (transaction-level corporate loan data) and deliberation on a more efficient framework for data collection and management.

- The two entities have **reduced the burden on financial institutions** through integration and abolition of data templates as well as unification of submission destinations, with the exception of those for which the implementation is difficult due to statistical reasons or system specifications, taking account of requests from financial institutions. They have continued to consider increasing data templates for data integration while regularly reviewing the requests of financial institutions.

- With regard to the common data platform, based on the survey on overseas developments conducted in fiscal 2021 and results of the joint experiment[1] in fiscal 2022 to collect granular data from some financial institutions, the two entities continued to consider practical operations and **started to collect granular data in a phased manner** in fiscal 2023.

Note: 1. See "Progress in Data Integration and Next Steps," Financial Services Agency and Bank of Japan, June 2023.
https://www.fsa.go.jp/en/news/2023/20230721/progressindataintegration.pdf

- In fiscal 2023, the FSA and the BOJ coordinated with financial institutions to **standardize data definitions and formats** and **started to collect granular data in a phased manner**, as follows.

Major banks	● Coordinated with individual banks on data definitions and formats considering how these banks handle their data as well as the number of data items and the size of data they submit.
Regional banks I (member banks of the Regional Banks Association of Japan)	● Started regular data collection by using existing databases that are common among banks. ● Examined whether the substitution of existing data templates is possible and notified the results to banks that satisfy necessary requirements.
Regional banks II (member banks of the Second Association of Regional Banks)	● Newly added regional banks II to the scope of the common data platform (these banks were not included in the experiment conducted in fiscal 2022). ● Started collecting trial data to deliberate on data formats and definitions.

- The FSA and the BOJ also proceeded with deliberations on operations regarding data collection and management (data cleansing, data sharing, etc.).

- **Monitoring financial institutions' preparedness for full-scale data collection and improving the accuracy of data**

  - ➢ In view of the **full-scale data collection from March 2025**, the FSA and the BOJ will continue to examine data submitted by financial institutions and encourage them to further improve the accuracy of these data.

  - ➢ In addition, they will **examine whether existing data templates can be substituted** with granular data to reduce the burden on financial institutions.

- **Improving the efficiency of operations**

  - ➢ The two entities will consider developing system tools that can detect and revise format errors in order to reduce the burden of data submission on financial institutions as well as to shorten and streamline data cleansing (improving accuracy such as by checking and revising data) at the FSA and BOJ.

  - ➢ They will continue to improve their operations, such as reviewing items checked in data cleansing and pushing ahead with the automation of data processing.

- **Sophistication of monitoring and analysis**

  - ➢ The FSA and the BOJ will continue to deliberate on methods for more detailed monitoring and analysis using granular data, thereby identifying risks in the financial system amid changes in financial and economic conditions.

  - ➢ While making steady progress with the aforementioned initiatives, the two entities will review data items to be submitted and consider expanding the coverage of financial institutions subject to data submission, with a view to conducting more comprehensive and accurate monitoring and analysis.