



BANK FOR INTERNATIONAL SETTLEMENTS

CPIS – uses, limitations and potential improvements

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The CPIS: usefulness

- A unique coordinated global exercise for the identification of the holders of securities
- A significant improvement for the balance of payments and IIP statistics



The CPIS: perceived weaknesses

- Its late availability, even reduced progressively, limits the interest of analysts
- Frequency low in this real-time financial and economic world
- An insufficient promotion of the dataset
- Scope of reporting is different between countries
- Resource constraints in small but active centres
- The specific case of direct investments
- The valuation at market prices



The CPIS: challenges

- The volatility of portfolios: holders can change very quickly
- Improve breakdowns (eg by country, currency, instrument, sector)
- How to respond to ever changing requirements of analysts
- Linking the information to other datasets
 - Domestic and international securities statistics
 - External debt statistics
- Dealing with the confidentiality issue



The BIS debt securities statistics: international issues

- On a security by security basis (around 800,000 securities)
- Based on various commercial databases
- Definition clear in theory, not always easy in practice
- Various breakdowns (sector, currency, maturity, nationality, residency of issuer, instrument)
- Considered as useful complement to international banking statistics
- Used as a benchmark by the ECB in the CSDB quality testing phase, together with domestic securities



The BIS debt securities statistics: domestic issues

- On an aggregated basis (for 48 countries)
- Based on various national sources
- Various breakdowns (sector, currency, maturity, instrument)
- Available details vary from one country to other
- Used as complement to international securities statistics
- Could also complement information on domestic bank credit
- Possible overlap with international issues
- Cooperation under way: ECB and CGFS



The external debt statistics

- A remarkable joint undertaking
- The new JEDH to go live end of March
- The use of creditor data, of which BIS debt securities
- Timely data and improved metadata; SDMX standards for data collection
- The possibility to compare creditor and national data



The analytical requirements of securities statistics

- Global coverage with sufficient details
- Track new markets (eg government and corporate bond markets in emerging markets)
- Track new instruments (eg ABS, CDO)
- Timely data (BIS banking and securities statistics quarterly, relatively short publication lag)
- Understand link with related derivative instruments (eg CDS)
- Understand link with other credit markets (eg bank lending)
- Interest in stocks and flows as well as liquidity, concentration, contagion, risk awareness/appetite



Securities-by-securities database?

- CSDB in Europe a major undertaking
- Issuers now well captured
- Expanding it to include indication of holders of securities will be
 - Major challenge
 - Major breakthrough
- Other countries considering CSDB approach
 - Link to other key elements such as balance-sheet information of issuer?
- International organisations could discuss promotion of CSDBs (on agenda of IFC also?)



The CPIS: possible improvements

- Its use as a benchmark by the BOP/IIP compilers should be encouraged by the IMF, technical assistance be prolonged
- Research by academics should be promoted and sponsored
- Timeliness and dissemination should be improved, using the most up-to-date transmission tools (eg SDMX)
- Links with other datasets relating to securities markets should be stepped up