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Industry Panels Push for National Data Repository to Help Monitoring of 'Systemic Risk'

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The American Statistical Association and the Enterprise Data Management Council are pushing for a new U.S. federal agency to build and oversee a centralized repository to maintain information on financial transactions, trade positions and other data necessary to monitor systemic risk, according to a petition posted by the council.

The data would be maintained by a National Institute of Finance (NIF), which would be organized under Obama Administration's proposed "[systemic risk regulator](#)."

The goal of the repository is to prevent regulators looking at disparate proprietary data sets which could lead to a flawed analysis. Data managers maintain that keeping accurate trade and counterparty data are critical elements for reducing an array of market and other risk factors surfacing in the recent economic crisis.

Promoting the new institute is the Committee to Establish the National Institute of Finance, which the EDM Council described as a "coalition of industry academia and other interested parties." A petition to create the NIF has been posted [here](#).

"The good news is that the NIF is gaining serious traction among legislators and key regulators," said Michael Atkin, the EDM Council's chairman in a letter to members of the risk and data management industries. "The EDM Council is contributing to this initiative to maximize the collective effectiveness in the competition for the ear of Congress as it debates the make-up of the new regulatory environment."

The petition notes that the debate on regulatory reform has lacked a "serious and detailed examination of the significant gaps in the informational infrastructure — data and analytic tools — available to regulators and policymakers, which were revealed by these events."

Without this infrastructure, decisionmakers who are charged with safeguarding the health of the financial system are largely flying blind, according to the petition. This, the document warns, severely restricts their ability to use their granted authorities effectively on the financial system to the federal regulatory agencies and U.S. Congress.

The NIF would have the authority to gather appropriate data and provide the analytical capabilities to perform independent risk assessments of individual financial entities and to provide advice on the financial system to federal regulatory agencies and the U.S. Congress.

The NIF would have two principal organizational components: the Federal Financial Data Center (FFDC) and the Federal Financial Research and Analysis Center (FFRAC). The FFDC would collect, clean, maintain and secure all the necessary data while the FFRAC would provide regulatory agencies and policy makers independent statistical capabilities and computing resources to further analyze the data.

The American Statistical Association, based in Boston, is the second oldest professional society in the U.S., dealing with scientific and educational issues since 1839. The Enterprise Data Management Council, based in London, is a not-for-profit business forum for financial institutions around the world. The council promotes best practices in data management.



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