

## **Business Plan of the CEN Workshop on XBRL**

### ***Improving transparency in financial and business reporting***

#### **1 Status of the Business Plan**

Approved at the Workshop kick-off meeting on 2012-05-30, Bank of Spain, Madrid.

#### **2 Background to the Workshop**

##### **Introduction**

Recent financial crises have uncovered one of the major deficiencies of the existing financial system: the lack of transparency. More specifically in the European Union, transparency is hampered by the absence of harmonisation in financial regulatory reporting.

The intention of this CEN Workshop is to prepare a series of CWA's that promulgate XBRL deliverables on a wider and standardised basis in Europe. XBRL, as a global standard for financial reporting, based on XML, holds the promise to create transparency in financial regulatory reporting.

##### **eXtensible Business Reporting Language (XBRL)**

As far as business and financial data are concerned, the use of the "eXtensible Business Reporting Language" (XBRL) is emerging. It is a language for the reporting of business and financial data that provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data. It belongs to the family of "XML" languages.

It is being developed by an international non-profit consortium of approximately 450 major companies, organisations and government agencies. It is free of licence fees. There are already several implementations based on XBRL, and their number is growing rapidly. More information is available at [www.xbrl.org](http://www.xbrl.org) and <http://en.wikipedia.org/wiki/XBRL>.

XBRL could be of interest to the eBSN members (European e-Business Support Network for SMEs) and to the Commission service who is in charge of the administrative simplification. XBRL has been widely accepted as a way of recording, storing and transmitting business financial information, and has the potential to deliver major cost savings and gains in efficiency, improving processes in companies, governments and other organizations.

The introduction of XBRL tags enables automated processing of business information by computer software, cutting out laborious and costly processes of manual re-entry and comparison. Computers can treat XBRL data "intelligently": they can recognize the information in a XBRL document, select it, analyse it, store it, exchange it with other computers and present it automatically in a variety of ways for users. XBRL greatly increases the speed of handling of financial data, reduces the chance of error and permits automatic checking of information.

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<sup>1</sup> Here the date of updating should go, updated by the last editor

## Motivation for the creation of this Workshop

ICT standardisation is part of the general standardisation activities and contributes to the policy objective of improving European competitiveness and industrial innovation while balancing industry expectations with societal needs. The main objective for the EU ICT standardisation policy is to promote the use of standards as a means to increase interoperability between services and applications. Reference is made to the EC 2010-2013 ICT standardisation work programme, Domain 12: eBusiness in which the EC highlights the importance of XBRL.

Furthermore the importance of this workshop is emphasized in the announcement of the European Parliament from 10 March 200:

*The European Parliament calls on the Commission to stimulate simplification and harmonisation of company law and, in particular, accounting rules within the internal market in order to reduce the administrative burden for SMEs and increase the transparency for all relevant stakeholders; urges the Commission to promote strongly the use of new technology such as eXtensible Business Reporting Language (XBRL) by presenting a roadmap for introducing XBRL reporting in the European Union with a view to making it mandatory within a reasonable time frame and to promote and support wide use of this open standard.*

Although XBRL itself is a standard, there are many ways to make use of it. Therefore, it is important to also standardise other parts of a reporting framework, such as the specifications for XBRL attributes:

1. The XBRL Specification states that in the case of numerical values it is necessary to specify either a decimals or precision attribute so they must not occur together on the same fact element. The CEBS XBRL Network recommends the use of the decimals attribute instead of precision for numerical values in instance documents based on COREP or FINREP taxonomies. The integer value of the decimals attribute defines the number of decimal places to which the value may be considered accurate. It answers the question on how many digits the banking supervisor can trust because the value might be a result of rounding or truncation. The Business Registers XBRL Network also provides best practices for sharing financial figures across Europe.
2. Multinational financial institutions underlying different Supervisors must comply with the requirements set in different countries. Often these requirements differ. Regarding the reported values some countries ask for numbers expressed in thousands or millions but some require precise numbers expressed together with cents (or their equivalent). The accuracy of required numbers impacts the validation of these numbers on reporting gates of the Supervisors. Especially for multinational financial institutions which use the same set of numbers to report to different Supervisors it can lead to issues.
3. The background for the reporting of values in thousand and millions is historical and with regard to paper-based reports. Most of the reporting in Europe is actually being done electronically, so there is no need to ease the filling of reports by requesting only the main parts of an amount. As explained above, reporting accurate values reduces the complexity of rounding. Another argument for more precise amounts is the definition of rounding thresholds for calculations. Most of the European Supervisors use variable thresholds. Sometimes also depending on the number of items included in the calculation or depending on the rounding definition (thousands, millions). Depending on the grade of accuracy of the amounts, smaller thresholds can be defined to adjust the rounding differences.
4. Agreeing on a certain value of the decimals attribute and establishing this as a best practice for EUROFILING will help financial institutions deal with creating instance documents. From the current perspective the greater common nominator required by the European Supervisors is decimals="2". The established common practice could use this value.

Furthermore the conversion of some basic XBRL Recommendations into European standardization deliverables, with appropriate cross-referencing, will help improve the acceptance of the specification across Europe, and enable improvements to be made.

### 3 Workshop proposers and Workshop participants

XBRL Europe is a non for profit organisation and initiator of this proposal and has several working groups active in this area. XBRL Europe is committed to aid in the development of the deliverables.

This standardization activity is crucial for the European market and its uptake is of high importance. However, because this field of standardisation is highly specialized only a limited number of organisations are expected to actively participate in the workshop. Therefore the number of participants expected at the normal workshop meetings is estimated at a modest number.

On the other hand, the impact of the work is expected to be high. With this, the number of organisations expected to participate in the public conference is expected to be substantially higher.

These figures are reflected in the table below:

Category/policy impact indicators	
Effectiveness	<ul style="list-style-type: none"> <li>• Number of participants in the Workshop: 26</li> <li>• Number of meetings: 7               <ul style="list-style-type: none"> <li>○ Of which are open meetings: 1</li> </ul> </li> <li>• Number of participants in each meeting, on average: 15               <ul style="list-style-type: none"> <li>○ Number of participants at the public conference: 50</li> </ul> </li> <li>• Production time of deliverables and statistics on delivery dates versus timetables foreseen in the contract</li> </ul>
Stakeholder engagement	<p><i>Number of participants from:</i></p> <ul style="list-style-type: none"> <li>• ICT Industry: 5</li> <li>• Financial Industry: 5</li> <li>• National Supervisory Authorities or bodies : 11</li> <li>• XBRL jurisdictions: 5</li> </ul>
Dissemination results	<ul style="list-style-type: none"> <li>• Number of external presentations: 5</li> <li>• Press releases: 3</li> </ul>
Impact	<ul style="list-style-type: none"> <li>• Downloads of draft CWA during public comment period: 70 unique IP numbers</li> <li>• Stakeholders satisfaction: 80%</li> </ul>

### 4 Workshop scope and objectives

#### 4.1 Scope

This project intends to standardise for all European supervisory authorities , national counterparts, and registry organisations in Europe the complete set of "harmonization topics" which are not standardised itself by XBRL, such as:

1. decimals, precision, scale, percentages, ... ;
2. threshold/tolerance margin ;
3. reporting institution identification.

Detailed information can be found in Annex B.

In addition, this project aims to standardise the metadata-container., which will enable regulators and preparers in banking supervision to transport XBRL data in a uniform way. Finally, due to national discretion, reporting or not in XBRL remains a free choice at the national supervisor level. At present, not all supervisors have adopted XBRL yet, partly because of missing standard components and standard tools to ensure compliance.

## 4.2 Objectives

The main objective of the proposed Workshop is to:

- 1) Standardise the usage of XBRL within the European and National Supervisory Authorities community and therefore with the organisations that have to report using XBRL. The fact of standardising the approach to XBRL will increase the number of current country implementations. The more organisations employ XBRL in a standardized way, the closer we move towards the possibility to create transparency and interoperability.
- 2) Provide a common list of indicators, labels and data set to describe a company profile or report company's key figures at a European level, connected to the existing local schemes.

In order to do so, a standard package is to be prepared in the form of a set of CEN Workshop Agreements which enables European and National Supervisory Authorities to easily adopt and implement the new technical frameworks, including methodologies and technical tools to take away complexity for preparers and receivers (regulators).

More XBRL adoption will lead to less reporting burden for European Financial Institutions, if all external reporting must be delivered in the same technical standard.

Eventually, this will lead to more transparency on a European level between Banking Supervisors. For the Business Registers, XBRL represents the solution to facilitate cross-border mergers and seat transfers, and will foster interoperability between national company information across Europe.

## 5 Workshop programme

### 5.1 Workshop Language

The Workshop working language is English. Consequently the CWA's will be drafted and published in English.

### 5.2 Deliverables

The Workshop will provide the following deliverables:

- CWA1 Standardize harmonization topics
- CWA2 Metadata container and compliance tools
- CWA3 Standard regulatory roll-out package for better adoption

**CWA1:** Standard specifications for XBRL attributes ("harmonization topics"):

Standardize the "harmonization topics" for Financial Supervision and analysis.

This CWA will provide a first draft standard laying down clear requirements for the precision, decimal, scale, percentages, common dimensions (breakdowns as currency, country, or others), XBRL notation/conventions, best practices, error handling, etc. to be used to be conformant to the standard XBRL taxonomy. A detailed list can be found in Annex B.

**CWA2:** "Metadata container" to wrap a submitted XBRL instance document and compliance test

Provide a standard Metadata Container to enable XBRL sourcing, with in addition necessary compliance tools to enable all stakeholders to test and ensure full adherence to the technical standards.

Metadata such as sender of the document, contact details, date and time of submission, version, digital signature, etc.. are not included in the taxonomies, because they really don't belong to the data model. On the other hand, and often for legal reasons, these data are required by national regulators. As a consequence, a variety of national protocols has been engineered, which complicates the life of cross-border institutions, but also prohibit the possibility to create a harmonized European collection system. Metadata are needed as well for financial reporting as for company legal and economical data. For the digital signature, existing solutions from the Business Registers, who have a deep expertise of the topic, may be generalized. In order to ensure compliance with the protocol, this project will deliver online tools for all stakeholders to use and to test compliance with the complete set (metadata container and XBRL instance document).

This CWA will provide standard protocols and mechanisms for digital signature, administrative data such as identification of submitter, feedback parameters, versioning of subsequent submissions and encryption, as well as online collaborative tools to ensure compliance.

**CWA3:** Standardized "roll-out package" that wraps the specifications as defined under previous deliverables.

Standard regulatory roll-out package with all taxonomies, technical assistance, conversion mechanisms, mapping components, localization components (via XBRL jurisdictions), etc ..., to create economies of scale and enhance adoption between Supervisors.

COREP, FINREP (and Solvency II or other future) XBRL taxonomies are offered to European regulators for national implementation. The first releases (2006) of the COREP and FINREP XBRL frameworks have proven that a standardized technical roll-out package is needed to increase the adoption rate and avoid implementation variances, which have a detrimental effect on the overall cross-border effectiveness of using one reporting standard.

This CWA will include an implementation and roll-out guide with technical documentation, instructions for proper use of XBRL and a localization bridge to a national XBRL jurisdiction, if available.

*The supervisory roll-out package will be shared with other European activities, such as Business Registers (throughout the XBRL Europe Business Registers Working Group) to include the results of the workshop into the common / core reference practices of business registers in Europe".*

### 5.3 Work plan

The different tasks and the required time can be found in the table below.

Task	Description	Timescale
1	Circulation of the project description work programme to all interested parties and the draft WS Business Plan	S + 0 to S+ 3 months
2	Plenary meetings - open to all participants registered to the committee. The 1st plenary meeting is a kick-off meeting to approve the Business Plan and start the PT selection process. Dependent on Task 5. Only necessary to have meetings while Task 5 is running.	Four times at an interval of 6 months, starting at S + 4 months
3	Working groups meetings - open to all participants registered to the committee.	Seven times at an interval of 3 months, starting at S + 4 months
4	Selection and establishment of the Project Teams Dependent on Task 3. Can only be performed after task 3 has been performed.	S + 12 months
5	Drafting deliverables 1 to 3 Dependent on Task 4. Can only be performed after task 4 has been performed.	S + 4 to S + 23 months
6	Coordination across deliverables - ensuring a coherent package of deliverables 1 to 3 Dependent on Task 5. Only necessary to have meetings while Task 5 is running.	S + 4 to S + 23 months

7	Delivery to the EC of the Interim report, consisting of draft CWAs	S + 12 months
8	Organization of a public conference Dependent on Task 5. Can only be performed after task 5 has finished delivering the draft deliverables ready . for public consultation.	S + 19 months
9	Posting the draft CWAs 1, 2, and 3 for a public consultation period Dependent on Task 5. Can only be performed after task 5 has finished delivering the draft deliverables ready for public consultation.	S + 18 months to S + 21 months
10	Incorporation of the comments into the 3 draft CWAs Dependent on Task 9. Can only be performed after task 9 has been performed and comments collected.	S + 21 months to S + 23 months
11	Adoption of the 3 CWAs at the plenary session Dependent on Task 10. Can only be performed after task 10 has been performed.	S + 23 months
12	Satisfaction survey conducted during the adoption plenary session Dependent on Task 11. Can only be performed after task 11 has been performed.	S + 23 months
13	Submission. of the Final report to EC	S + 26 months

Task	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
1	█	█	█	█																							
2					█						█						█						█				
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As contractual deliverables, at mid-term an Interim progress report will be delivered (S+12 months). This will summarize the activities up to that date and provide the draft version of the three CWAs.

At the end of the action (S+23 months) CEN will provide a technical report, containing the final version of the three CWAs, the report on the performance indicators and the satisfaction survey, as well as a management report on the work carried out for the execution of the action. Within 3 months after the end of the action (S+26 months), CEN will deliver the Final report, including the Technical and the Financial reporting/justification.

## 6 Workshop structure

### 6.1 Introduction

CEN Workshops are consensus working groups open to direct participation of any interested party. In practice, most participants are from industrial companies, but there are also participants from public administrations, academia and research, consumer groups, and so on.

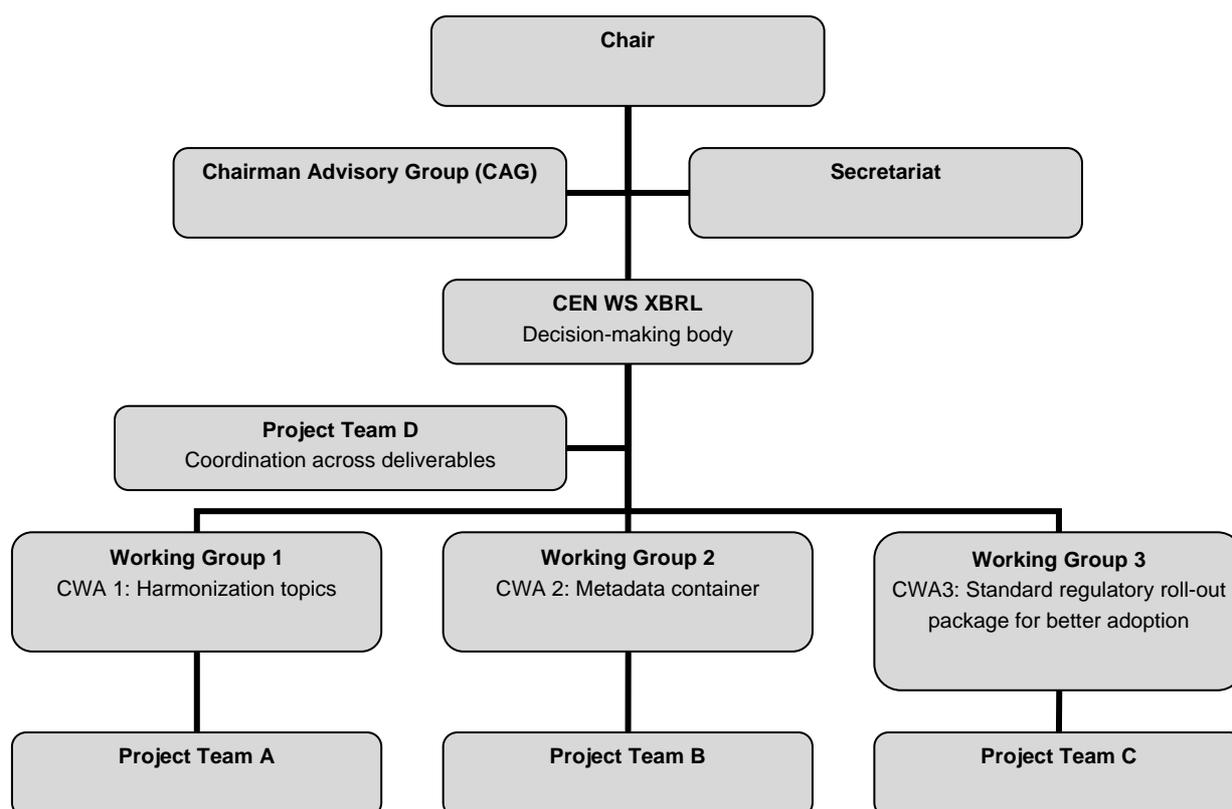
Workshop participants can come from any country worldwide – most are European of course, but in some cases international participation can prove helpful. This Workshop is free of charge.

The Workshop documents are drafted by participating experts. The drafting of the formal output of the Workshop, in the form of a proposed publication is called a CEN Workshop Agreement (CWA), is carried out in the Workshop itself under the supervision of the chair and the support of the secretary.

The duration of a the CEN/WS XBRL is 26 months.

### 6.2 Structure

The figure below shows the Workshop structure and the responsibilities of the main actors. Each actor is described in more detail hereafter.



**The Chair** - The Chair of a workshop provides overall leadership and conducts meetings in an impartial manner, guiding the meeting in order to reach balanced and prompt decisions while ensuring that all points of view are heard and considered.

**The Secretariat** - The Secretary provides management support associated with the running of the Workshop and, in particular, he/she arranges meetings, ensures that documents for the meetings (e.g; calling notices,

agendas) are distributed on time, records the main decisions of the workshop in the form of resolutions and prepares and distributes reports of the meetings.

**Chairman Advisory Group (CAG)** - The project involves several tasks. The overall management/coordination will be ensured by a Chairman Advisory Group (CAG) made up of the Workshop Chair(s), the Working Group Leaders (not financed), the Project Team Leaders and Workshop Secretariat. The CAG will physically meet back to back to the plenary meetings and have conference call in between.

**The CEN WS XBRL Plenary** – The CEN WS XBRL plenary acts as the decision-making body. It is here where all the workshop participants come together to discuss on strategic issues and comment and vote on draft deliverables and vote on the final deliverables. The Workshop participants in the CEN WS XBRL plenary are responsible for the end-results.

**Working Groups** - For each deliverable, there will be a dedicated Working Group (WG), open to all Workshop participants, which will be responsible for the detailed work. It is in the WGs where the actual work is carried out.

**Project teams** - Each WG will be supported by a Project Team of paid experts appointed in accordance with CEN rules, as well as those of the Commission as specified in the Framework Partnership Agreement 2009. The Project Teams will prepare draft documents for the working groups to consider or even completed draft CWAs.

## **7 Resource requirements**

### **7.1 Cost of participation**

All costs related to the participation of interested parties in the Workshop activities have to be borne by themselves.

### **7.2 Secretariat**

#### **Staff members**

The NEN staff members will support the secretariat for this project. The estimated effort is a total of sixty six man days for project management and fifty three man days for administrative support.

The NEN project manager will be responsible for maintaining documentation, mailing list and dedicated web site, organising (virtual or other) meetings in association with the CEN Management Centre, reporting on the plenary meeting, making presentations of the project at outside meetings if requested. A secretary will assist the project manager in maintaining documents on the electronic repository.

#### **Travel costs**

NEN foresees 4 travels at 1000 € each (travel, accommodation and daily subsistence, in total 4.000 € for the Technical Project Manager/Secretariat. This is in order to attend the 4 WS plenary meetings that are foreseen.

The CEN Management Centre foresees 2 travels at 750 € each (travel, accommodation and subsistence, in total 1.500 €) for the CEN programme manager. This is in order to attend the WS kick-off and final meeting.

All travels mentioned here will be within Europe at a variety of locations to be decided. WS meetings are expected to take either one or two days. WS meetings are to ensure the progress and coordination between the work.

## 7.3 Project Teams

### 7.3.1 Subcontracting

The drafting of the documents requires specialized expertise which is not available to standardization managers as permanently employed by CEN and its member. This is the justification for the Commission financial support.

To employ such specialized experts by a CEN member would be expensive and not economically viable considering the very specific area of specialization that is required for the execution of this contract. To engage the services of the appropriate specialist experts from the market is more cost-effective. This sub-contracting also enables the quick availability of the drafts to enter the consensus building and validation processes, which are CEN's core business.

The management and administration of the consensus building and validation process with the aim to publish the end results as a standards deliverable is the responsibility of the CEN National Standards Body, in this case NEN.

Five project teams will be established. Each project team will have its own task as specified in the table below. The table also shows the number of experts and estimated man-days required.

<i>Deliverable</i>	<i>Team</i>	<i>Estimate</i>
CWA 1: Harmonization topics	<b>Team A</b>	
	Technical XBRL expert	30 man-days
	Functional XBRL expert	50 man-days
CWA 2: Metadata container	<b>Team B</b>	
	Technical XBRL expert	50 man-days
	Functional XBRL expert	50 man-days
CWA3: Standard regulatory roll-out package for better adoption	<b>Team C</b>	
	Technical XBRL expert	30 man-days
	Functional XBRL expert	50 man-days
Coordination across deliverables	<b>Team D</b>	
	Functional XBRL expert	72 man-days

### 7.3.2 Project team selection procedure

CEN has a standard methodology to select specialized experts which are called Project Teams. Project Team experts are selected by a selection panel from the applications received as a result of an open Call for Experts. The open call refers to the expertise required for being eligible for participation in the Project Team.

For the Project Teams in relation to Grant Agreement SA/CEN/ENTR/000/2011-21, experts should have specific expertise and knowledge, which will be the main criterion for their selection and which is described below:

#### General Selection Criteria

##### *General*

- Acceptable writing and communication skills in English
- Communication of a highly technical content to stakeholders
- Proficiency to specify standards requirements in written form
- Project management
- Team working skills
- Consensus building skills

*Not required, but would be an added value*

- To be a current member to XBRL Europe or an XBRL jurisdiction
- Active participation on XBRL events
- University background

### **Functional XBRL expert**

*XBRL*

- Minimum 2 years of practical experience with XBRL, thus being able to assess the impact of using and implementing the standard in any application architecture
- Well acquainted with various XBRL software packages on the market

*Reporting & Supervision*

- Minimum 2 years of practical experience with reporting & supervision

### **Technical XBRL expert**

*XBRL*

- Minimum 2 years of technical experience with XBRL, of which hands-on expertise with all aspects of using the standard, such as making and extending taxonomies, editing and using formula linkbases, rendering, mass-producing instance documents, validation against all aspects of the standard, etc...
- Well acquainted with various XBRL software packages on the market

### **XBRL developer expert**

*XBRL*

- Minimum 1 year of technical XBRL expertise and extensive development knowledge to integrate dedicated XBRL software packages in a.o. web applications
- Minimum 3 years of experience with current programming languages and web technology
- Well acquainted with various XBRL software packages on the market

For these Project Teams, the Terms of Reference will be approved and the selection panel will be appointed by the Workshop Kick-Off meeting, although the call for candidates may be announced before on the basis of draft Terms of Reference and will, in accordance with the existing rules for the selection of Project Team experts, include the Chair of the technical activity, the Secretary and a CCMC staff member as the representative of the CCMC Director-General.

It is not possible to have the call for experts selection outcomes included in the detailed proposal as this cannot take place before the workshop kick-off.

## **8 Related activities, liaisons, etc.**

The current proposal provides complimentary standardisation efforts to the following existing European and non-European networks:

- EUROFILING community
- EBA and EIOPA XBRL Groups, in close contact with ESMA, JEGR, ECB and ECCBSO
- National Supervisory Authorities and National Central Banks
- IFRS Foundation, National Accountant Authorities and Business Registers
- XBRL Europe, COREP/FINREP/S2 harmonization Working Group
- European Research projects, including 'The Core Vocabularies specification' and 'The Assets Description Metadata Schema'

- xEBR WG
- Federal Financial Institutions Examinations Council (FFIEC)
- SDMX
- Other relevant initiatives

EBA's "XBRL Operational Network" has released a first European version of COREP and FINREP taxonomies in 2006, which were adopted and implemented in various ways by 11 European national regulators of financial supervision. After this first success, and instigated by other events and Ecofin guidelines, EBA has formalised its XBRL Subgroup and ordered to release version 2 of the COREP and FINREP XBRL frameworks. EBA's XBRL Subgroup is collaborating with XBRL Europe and some experts on this matter; experiences from release 1 and current activities are grouped under the initiative "EUROFILING".

More precisely, EUROFILING has delivered the XBRL taxonomies for COMmon solvency ratio REPorting framework (COREP) and for FINancial REPorting (credit institutions that use CRD/IFRS) framework (FINREP). The goals of the EUROFILING initiative are to improve and to standardize electronic communication towards Banking Supervisors, as well as to promote the use of XBRL within the European Banking supervisors community. Insurance Supervisors are more and more involved in EUROFILING activities oriented to the new XBRL Solvency II regulatory framework.

The EUROFILING initiative depends for 95% on the efforts of volunteers. For a very limited set of deliverables, EUROFILING received some funding, but more is needed to deliver a fully standardised package to be adopted by more national regulators.

The Core Vocabularies specification developed by the European Commission (nota bene with the European Banking Authority participation). It defines data models for persons, business and location. More details here: [https://joinup.ec.europa.eu/asset/core\\_business/release/03](https://joinup.ec.europa.eu/asset/core_business/release/03). The Core Vocabularies will be input for the W3C standardisation activities.

The Assets Description Metadata Schema, also developed and published by the Commission. More details here: <http://joinup.ec.europa.eu/asset/adms/description>

Annex A provides background information on EBA, XBRL Network, EUROFILING, de Larosiere report, ECOFIN, IFRS and Business Register initiatives for interoperability.

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## Annex A

### About CEBS, XBRL Network, EUROFILING, de Larosière report, ECOFIN, IFRS and Business Register initiatives for interoperability

#### Regulatory bodies

Three European oversight bodies with advisory roles exist in the financial sector: the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities Markets Authority (ESMA).

One of the Networks within EBA, "XBRL Network", has been active since 2005 in creating technical components for standardising the IT layers of financial supervision, by creating standardised XBRL semantic frameworks for Financial and prudential reporting to national Supervisors. Version 1 was released in 2006 and was adopted and implemented by 11 European regulators.

#### Report de Larosière

In February 2009, a high-level group headed by former IMF Managing Director and ex-Bank of France Governor Jacques de Larosière recommended reform of cross-border financial supervision in the EU to remedy flaws in the bloc's patchwork of national based supervision.

This report offers a two-level approach to reform:

- (i) a new oversight of broad, system-wide risks; and
- (ii) beefing-up of coordination among national Supervisors in day-to-day oversight.

The de Larosière report recommends transforming these three Committees into European Authorities, with commensurately increased powers to, inter alia:

- co-ordinate the work of national Supervisors;
- arbitrate between national Supervisors in supervisory colleges in cases of disagreement on supervisory issues regarding a cross-border financial institution;
- take steps to harmonise national regulatory rules and move towards a common European rulebook;
- directly supervise certain pan-European institutions which are regulated at EU level, such as Credit Rating Agencies.

On 27 May 2009 the Commission adopted a Communication describing its plans for putting into effect the recommendations of the de Larosière report. This was followed by legislative proposals in September 2009.

#### ECOFIN, December 12, 2009

On the EcoFin (Economic and Financial Affairs Council) of 12 December 2009, the Ministers reached agreement on proposals to create European regulatory authorities and called to start negotiating with the Parliament a "first reading" adoption of the text to allow the new framework for early intervention and resolution to be "put into place during the course of 2010".

The work should explore mechanisms to disincentive ring fencing, including **exchange of information**. In particular, the Ministers stressed that:

- i. It's important to develop "**common and interoperable tools**" to handle a financial crisis.
- ii. Key objectives and priorities comprise solutions at EU level for the reorganisation and resolution of cross border banks in a timely and robust manner, assisted by the development of cooperation of national resolution authorities.
- iii. A holistic and pragmatic approach preserving financial integration needs to be pursued, defining clear tasks and accountability of all actors.
- iv. The European Commission is invited to revise, and develop, resolution tools of group entities located in different jurisdictions. In a medium-to-long term perspective, a **common set of tools for all national authorities** should be considered.
- v. Banks must clean up their balance sheets.
- vi. CEBS (current Committee of European Banking Supervisors) is to report each 6 months on the quality of assets and adequacy of capital.

#### **About IFRS**

IFRS (International Financial Reporting Standard) is a standard and interpretation adopted by the International Accounting Standards Board (IASB).

#### **About XBRL**

XBRL is a language for the electronic communication of business and financial data. It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data.

XBRL stands for **eXtensible Business Reporting Language**. It is one of a family of "XML" languages which is becoming a standard means of communicating information between businesses and on the internet.

XBRL is being developed by an international non-profit consortium of approximately 450 major companies, organisations and government agencies. **It is an open standard, free of licence fees.** It is already being put to practical use in a number of countries and implementations of XBRL are growing rapidly around the world.

## Annex B

### Topics, not standardised by XBRL but which need standardisation (list non-exhaustive)

#### 1 Decimals, precision, scale, percentages, ...

At present, several topics are not standardised in financial reporting to European Supervisors:

- *Decimals*: number of digits, comma, dot
- *Precision*; an XBRL attribute in order to report how precise numbers should be; by not having a standard on this, validation errors arise on non-material differences
- *Scale*: some authorities require reporting in 1000 euro, other in euro.
- *Percentage*: a percentage can be reported in many ways, e.g. 12, 0.12 or 0,12
- *Currency conversion rates* are not yet used in the CEBS XBRL reporting. Common practice is the reporting of conversion rates with up to six significant digits, following the standard on Euro conversion rule for irrevocable rates.
- XBRL works with *unitRef* attributes to be reported in an instance. According to XBRL rules monetary items must have a unit of measure from the ISO 4217 namespace of currencies. The unit "pure" could be used for dimensionless numeric items like percentages or rates. For comparability reasons, this topics needs to be standardised across taxonomies.

#### 2 Threshold/tolerance margin

The reporting frameworks FINREP and COREP contain a substantial number of cross-linked cells, be it direct links or links via breakdowns or subtotals. A reporting institution often sources such data from multiple systems, which can cause small rounding differences for cross-linked cells. In such case, exact matching of numbers takes a lot of unnecessary time; this can be solved by including thresholds and tolerance margin mechanisms in the package.

#### 3 Reporting institution identification

At present, identification of institutions is not uniform across Europe. Hence, the same financial institution has to cope with different identification mechanisms for each national supervisor.

We want to address this topic in a broader view through the harmonisation effort on "Business Registers", see below under "improve interoperability of company data".

#### 4 Nil, null, zero and blank values

Not all financial institutions (must) submit all reportable cells; this needs standardisation through the appropriate use of nil, null, zero or blank values.

#### 5 Non-numeric items: definition and values

Some elements in the framework are string based, with or without patterns, etc.

#### 6 Report type (Solo, Consolidated, other options)

#### 7 Audit status

#### 8 ID and tagging of cells and (sub)totals

#### 9 Metadata container with administrative data, feedback parameters and digital signature. An XBRL instance document should be self-containing, which means that all required information is included in the document. Nevertheless, still a number of elements are not included in taxonomies and shouldn't because they don't belong to the data model of the framework. Therefore, in most cases, this information is

included in metadata which is structured around the instance document, such as (two examples of common practise):

- Strict nomenclature on file name. The file name then includes codes to facilitate the processing of the instance.
- Including the XBRL root node as child node in another XML structure which contains other child nodes with administrative data.

The new release of the framework must foresee a standard mechanism to include these metadata.

10 Character codification (UTF-8 or others).

Several codifications are possible.

## **Annex C**

### **Useful links**

#### **CEN Workshop Agreements explained**

<http://www.cen.eu/boss/Production/Dev/CWA/Pages/default.aspx>

#### **CEN Hands on Workshops**

Practical guide for people involved in a CEN Workshop

<ftp://ftp.cen.eu/CEN/Services/Education/Handsonguides/Handsonworkshops.pdf>

#### **XBLR Europe**

[www.xbrl.org/eu/](http://www.xbrl.org/eu/)

#### **EUROFILING**

[www.eurofiling.info](http://www.eurofiling.info)