EBA/CP/2014/03

21 March 2014

# Consultation Paper

On XBRL Taxonomy (v2.1) related to remittance of supervisory data under Regulation (EU) No 575/2013

# Contents

# 1. Responding to this Consultation

The EBA invites comments on the accompanying revised XBRL Taxonomy and supporting documentation, and in particular on the technical expression of the relevant ITS data point models in XBRL, and on the specific questions summarised in 6.

Comments regarding the timing of implementation of the supervisory reporting requirements, their scope of application, the extent of information covered therein and other matters put forward in prior consultations will not be processed here. Further, detailed comments on the implementation of data collection in any particular nation will not be processed either, as this falls within the choice and competency of the national competent authorities. In particular, there is no requirement that data be collected from firms in XBRL, or if in XBRL using this, or a related taxonomy.

Comments are most helpful if they:

- indicate the specific issue that might present a problem, or respond to a specific question stated;
- contain a clear rationale;
- provide evidence to support the views expressed/ rationale proposed; and
- describe any alternative implementation choices the EBA should consider.

## Submission of responses

To submit your comments, click on the 'send your comments' button on the consultation page by **14.04.2014**. Please note that comments submitted after this deadline, or submitted via other means may not be processed.

## Publication of responses

Please clearly indicate in the consultation form if you wish your comments to be disclosed or to be treated as confidential. A confidential response may be requested from us in accordance with the EBA's rules on public access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by the EBA's Board of Appeal and the European Ombudsman.

## Data protection

The protection of individuals with regard to the processing of personal data by the EBA is based on Regulation (EC) N° 45/2001 of the European Parliament and of the Council of 18 December 2000 as implemented by the EBA in its implementing rules adopted by its Management Board. Further information on data protection can be found under the Legal notice section of the EBA website.

# 2. Executive Summary

On 02 December 2013, the EBA published an XBRL taxonomy to be used for the remittance of data from competent regulatory authorities to the EBA, under the Implementing Technical Standards (ITS) on supervisory reporting (EBA-ITS-2013-02).

Further final draft Implementing Technical Standards have been published providing further common definitions and reporting requirements, covering Non-Performing Exposures and Forbearance (EBA-ITS-2013-03) article under Article 99(4) of Regulation (EU) No 575/2013 and Asset Encumbrance (EBA-ITS-2013-04) under Article 100 of the Capital Requirements Regulation.

The EBA is therefore now consulting on a revised version of the XBRL taxonomy for remittance of supervisory reporting, to incorporate these additional reporting requirements, and also to correct minor discrepancies between the existing taxonomy, data point model and the final published ITS.

Although the current and revised versions of the taxonomy only apply directly to the remittance of supervisory data from competent authorities to the EBA, it is expected that many authorities will use either the taxonomy directly, or a minor variation on it, to collect data from their supervised institutions, and so will be of significant interest to many reporting institutions.

## 2.1   Next steps

Based on the final versions of the related data templates and instructions of the related ITS, and taking into account, where appropriate, the feedback received to this consultation and further consultation with competent authorities, a final revised version of the XBRL Taxonomy will be produced and published.

The finalised revision will then be used by competent supervisory authorities to remit supervisory data. It is currently envisaged that the finalised revision be used for remittance of Asset Encumbrance data specifically from a reference date of 30/06/2014, for FINREP remittance from a reference date of 30/09/2014, and for the remittance of other COREP reporting (replacing the use of the existing version of the COREP taxonomy) from a reference date to be decided, likely to be either 30/06/2014 or 30/09/2014.

# 3. Background and rationale

## 3.1 ITS on supervisory reporting and the CRR

On 27 June 2013, the Capital Requirements Directive 2013/36/EU (CRD IV) and Capital Requirements Regulation (EU) No 575/2013 (CRR), which seek to apply the Basel III framework in the EU, were published in the European Union's Official Journal. They have recast the contents of the previous Capital Requirements Directive (CRD) and are together colloquially referred to as the CRD IV/CRR.

On 26 July 2013 the EBA published final draft Implementing Technical Standards (ITS) on supervisory reporting, in accordance with this Directive and Regulation, a subsequent revised draft was published by the European Commission on 8 January 2014. This ITS included a Data Point Model (DPM), which is a structured representation of the data requirements included in the ITS, identifying all the business concepts and their relations, as well as validation rules, providing uniform technical specifications at a granular level of detail.

Once supervisory data has been collected by the competent supervisory authorities, by whatever mechanism determined by each competent authority, that data will be remitted by the supervisory authorities to the EBA. To facilitate this, a concrete technical representation of the DPM, in the form of an XBRL taxonomy, was published by the EBA on 2 December 2013. Data will be exchanged between competent authorities and the EBA in the form of XBRL instances conforming to this taxonomy.

It understood that several competent authorities will choose to use this XBRL format the basis of their collection of supervisory reporting from firms.

## 3.2 Asset Encumbrance

Article 100 of the CRR requires the institutions to report to the competent authorities the level of their repurchase agreements, securities lending and all forms of asset encumbrance, and mandates the EBA to include this information in the implementing technical standards on COREP and FINREP reporting (EBA-ITS-2013-02).

Since the mandate to include asset encumbrance was introduced only in the trialogue negotiations between the European Commission, the European Council and the European Parliament, these reporting requirements were introduced in a supplementary draft ITS (EBA-ITS-2013-04).

In addition to the mandate in CRR, the ESRB recommendations on funding of credit institutions, published in February 2013, also cover the topic of supervisory reporting of asset encumbrance. More specifically, Recommendation C recommends that the EBA 'issue guidelines on harmonised templates and definitions in order to facilitate the monitoring of asset encumbrance, in

accordance with its established consultation practices'. The draft supplementary ITS, consequently, also serves the purposes of complying with the ESRB recommendation.

## 3.3   Forbearance and Nonperforming exposures

Building on the identification by the European Systemic Risk Board (ESRB) of the need to properly assess forbearance on a consistent basis across the EU[1], the EBA has, drafted harmonised and consistent definitions of both forbearance and nonperforming exposures. These definitions have been supplemented with dedicated supervisory reporting templates. Together these tools will empower supervisors to:

- assess the extent of forbearance transactions and their effects on asset quality and loss recognition;

- capture and compare asset quality and its evolution on a more consistent and homogeneous basis across EU institutions.

The European Banking Authority (EBA) has developed two draft definitions of forbearance and nonperforming exposures and developed accompanying supervisory reporting templates to capture the related data. The EBA has drafted these definitions and templates (EBA-ITS-2013-03) in application of Article 99(4) of Regulation EU No 575/2013 (Capital Requirements Regulation (CRR)). Once adopted by the European Commission, they form an addendum to the FINREP (financial reporting) framework as defined by the implementing technical standards (ITS) on supervisory reporting submitted to the European Commission for approval on 26 July 2013.

## 3.4   Necessary revision of XBRL taxonomy

As a natural consequence of these additional reporting requirements, a revision of the XBRL taxonomy enabling the remittance of the additional data is required. In addition, some minor discrepancies between the final ITS text and the initial XBRL taxonomy have been identified, which require revision of the existing parts of the taxonomy to address.

---

[1] ESRB press release 20 December 2012 – ESRB General Board Meeting in Frankfurt

# 4. Content and Methodology of the Taxonomy

## Content of the Taxonomy

The taxonomy is an XBRL representation of a combined data point model (DPM) covering all data items included in the ITS on supervisory reporting, and also in the supplementary ITS's on Asset Encumbrance, Forbearance and Non-performing loans. It includes a dictionary layer identifying all the business concepts and their relations, a table linkbase layer indicating the reporting requirements and their canonical visual layout, as well as validation rules represented as XBRL formula assertions.

The taxonomy is split into three sub taxonomies, one covering the reporting requirements of COREP, one FINREP, and one Asset Encumbrance.

## Specifications

The following standards and specifications are used in the Taxonomy:

• XBRL 2.1 - December 31, 2003 with Errata Corrections to February 20, 2013

• Dimensions 1.0 - September 18, 2006 with errata corrections to January 25, 2012

• Formula Specification 1.0 - 2009 - 2011

• Table Linkbase 1.0 PWD - May 17, 2013  (N.B. **not** the Proposed REC 2013-12-18)

## Validation rules

To facilitate uniform implementation, validation rules (quantitative relations between rows and columns of each template, and among templates) were included in the ITSs. These have been translated into XBRL formula assertions.

It is intended that remitted instance files pass all validation assertions before being accepted by the EBA. In general, all rules from the ITSs are included, however:

• Cross-period rules are not expressed in XBRL, nor are rules requiring information from more than one instance file (i.e. cross validations between XBRL modules). This is because the XBRL formula specification, and technical implementations of it, is considered less well developed in this area, and it less clear cut what the effect of a failed validation rule should be in such circumstances. These checks will however likely be implemented as second level (non-XBRL) checks applied by the EBA on the reception of data.

• Rules from the ITS that document that two table cells are in fact the same item of data are unnecessary in XBRL as these will be the same XBRL data fact, and so only reported once within a single instance file. As such, these "Identity" validations have not been explicitly implemented in XBRL.

• Some rules that were more complex to map to XBRL, such that the cost/benefit assessment of including them was unfavourable, are not implemented in XBRL.

## Versioning approach

The EBA XBRL taxonomies have a specific two part structure[2], with a data dictionary providing the concepts used to describe reported data, and a separate distinct set of files (sub taxonomies) providing the description of the reporting requirements by defining the sets of tables (templates) and valid data points that form each potential report (entry point).

In this new minor version of the taxonomy, the data dictionary has been added to only, and as such is referenced in common by both the previous and revised versions.

Files comprising the old versions of the reports for COREP and FINREP (entry points) are included, with the COREP files incorporating slight changes compared to the currently published version (forming a new release of this sub taxonomy) to bring it closer in line with the ITS on supervisory reporting. These changes are such that do not affect the structural validity of instance files (i.e. only "backwards compatible" changes, such as labelling corrections on the tables).

Also included are an entirely new sub taxonomy comprising the new Asset encumbrance reporting requirements and a new version of the previous FINREP and COREP sub taxonomies, incorporating both the new Forbearance and Non-performance reporting requirements, and also structural changes to the reporting, required to correct discrepancies with the final published ITS on supervisory reporting, that require changes to reported instances files (i.e. non-backwards compatible changes).

Where tables are unchanged between the old and new versions of the taxonomies, the existing table linkbase descriptions are directly referenced by the new entry points.

---

[2] See taxonomy architecture document accompanying the public consultation.

# 5.  Accompanying documents

### XbrlTaxonomy.2.1.0.PC.7z

> The files forming the XBRL taxonomy which is the subject of this consultation.  Note that for convenience, this zip file includes all XBRL files required to utilise the taxonomy offline if needed, including some that are properly currently available from canonical URI's (e.g. www.xbrl.org).

Also included to aid comprehension of the taxonomy is the source material of which the taxonomy is a technical implementation, namely:

### DPM Documents.2.1.0.PC.zip

> The data point model specifying the reporting requirements expressed in the ITS in a structured form, including documentation including annotated tables, dictionaries and hierarchies, several other representations of aspects of the model, and explanatory documentation.

### DPM Database.2.1.0.PC.7z

> A database in Microsoft Access format, again containing the ITS data requirements in structured form, and also indicating elements of the mapping from these requirements to the XBRL taxonomy.

In addition the taxonomy should be considered in the context of its ultimate source, the ITSs on supervisory reporting, asset encumbrance and forbearance and non-performing exposures.

# 6. Overview of specific questions for Consultation

Although the consultation primarily regards general issues such as correctness of representation of the data point model, adherence to XBRL standards and practicality for remittance of data, respondents are also invited to comment on several specific questions that may influence the design of the final taxonomy.

## Structural representation of taxonomy changes

Two particular features of the approach to the XBRL representation of the new version of the reporting requirements have been chosen with the aim of providing some benefits for particular usages:

1. Retention of same data dictionary URI with incremental additions

This is hoped to be of benefit for those mapping to or from data warehousing or similar systems, in that the metric and dimensional attributes of particular individual data items will be unchanged, and so should dramatically simplify mapping of the new versions, where only the new data items will need to be mapped and no longer used ones removed, rather than having to remap every single data point as would have been the case if, for example, a new data dictionary in a new namespace had been used

2. Referencing of entire table linkbase descriptions from previous versions where those tables are unchanged.

Similarly the hope here is that systems that utilise the table linkbase for display of the tables or other purposes, will be able to minimise the amount of work required to transition to the new version if it is clear which tables have been completely unaffected by the new version (as indeed the vast majority of COREP and FINREP tables are).

*Respondents are asked to consider if these arrangements will in fact provide them with any benefits, or if they believe an alternative possible implementation would generally be more beneficial.*

## Tables utilising new layout features

Table F34c uses repeating columns (with number of columns as needed by the reporter) to enter a currency breakdown.

Table F35 has a variable number of repeating sheets, each for a particular , i.e. with an open dimension (one that does not have a predetermined fixed list of possible values) as the z-axis key.

*Since both of these are features that happened not to have appeared in the previous version of the taxonomy (although they are within the ambit of the table linkbase specification) respondents are asked to consider if these layout features will cause them implementation problems.*

## Taxonomy file version tags

Individual xml files that make up the taxonomy include an xml processing instruction indicating the taxonomy version from which the file comes. There are two reasonable options as to how this version tag could be used.

At present the marker indicates the taxonomy version in which the file was last changed. So if a new taxonomy revision is published, which does not affect a particular file, the version tag of that file will be unchanged. This has the advantage that it is easy to identify the files changed in a particular version, but the disadvantage that the set of files that form a particular release will not in general all share the same version tag.

An obvious alternative option would be to make the version tag for all files forming part of a point release the same. This would enable use of the tag to check that a set of files were all of the same version, but would make it more complex to identify the changes I any particular release.

Respondents' views are sought on the relative value of each approach, or any reasonable alternative.

## Introduction approach

Given that both the 2.0 and 2.1 versions of COREP and FINREP and Asset Encumbrance 2.1 will be available simultaneously on the EBA website, and the 2.1 and 2.0 versions use distinct schemaRef URIs, it is technically feasible to introduce the use of each of 2.1 COREP, FINREP or Asset Encumbrance at the same, or different times.

The introduction of 2.1 FINREP and Asset Encumbrance is driven by the introduction of new reporting requirements, whereas that of COREP by a need to resolve discrepancies between the final ITS and the XBRL taxonomy.

*Respondents' opinions are sought on any practical considerations as to the date of transition to remittance under the 2.1 sub taxonomies.*