



**eiopa**  
EUROPEAN INSURANCE  
AND OCCUPATIONAL PENSIONS AUTHORITY

XBRL week in London

# EIOPA Update

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XBRL Europe Day, 18 June 2013

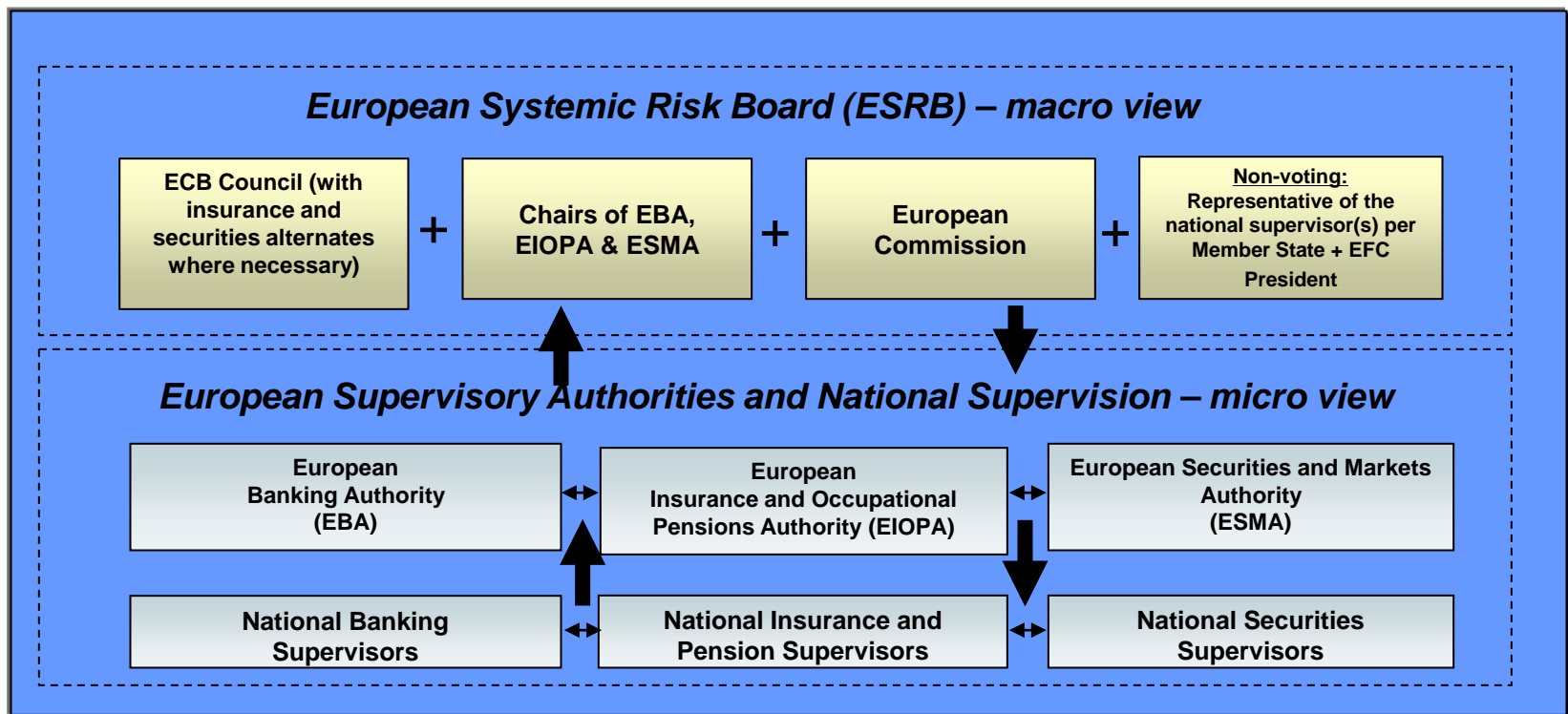
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- The goal to develop EU-wide reporting formats
  - Was set in 2008, under CEIOPS era
  - With Solvency II identified as the first likely candidate
  - XBRL was formally selected as the underpinning technical format in October 2011 by EIOPA's decision body, his Board of Supervisors (*Members: heads of the national supervisory authorities*)
  - Mandatory for information exchange between EU supervisors
- Information exchange between supervised entities and national supervisors under national responsibility
  - *Wide use of XBRL at national level for Solvency II is expected.*

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# Potentially three layers for financial stability purposes



- A fully harmonized modern framework
- With more emphasis on group-wide supervision and thus cross countries information sharing
- Leveraging on existing supervisors experience
- But to some extent a clean break for everybody

- A relatively new set of technologies
- Not already used in the insurance sector
- A perceived scarcity of available skilled human resources to help supervisors (a few dozens) and undertakings in the scope of Solvency II (a few thousands) being ready in time.

- Internationally agreed valuation standard not (yet) available
  - o Standalone valuation principle decided (article 75 of Solvency II)
  - o Applicable to Solo valuation and Group valuation
  - o Overlap, but not fully, with IAS/IFRS standards
- Existing accounting directive not repelled
  - o Expected coexistence of accounting and Solvency II reporting, with some need for reconciliation.

- Central design of the taxonomy implementing the (centrally designed) harmonized reporting, including validation rules.
  - *No national extensions of the harmonized taxonomy*
- Launch of a Tool for Undertakings project
  - *An optional free of charge tool for the “last mile” of the reporting chain*
- Potentially a reference validation service
  - *To help reporting tools assess their compliance with the deliverable expected by supervisors*

- Leveraging existing expertise within EIOPA members
  - Eric Jarry lead of our Solvency II, taxonomy effort
- Building in-house expertise
  - Aitor Azcoaga, for XBRL and DPM
- Contracting with external resources
  - Using the transparent process of public tender
  - For taxonomy modeling and XBRL software development

- Experience sharing with EBA
- Eurofiling membership
- Joint events with XBRL Europe
- CEN Standardized "roll-out package" for better adoption (Aitor Azcoaga)
- Exploring challenging areas – Double layer taxonomy, large instances, filing indicators, packaging, ...

- July 2010: technology preview
  - Adoption of the Data Point Modeling methodology
- September 2011: Data Point Model implementing the stable Solvency II reporting package (July 2011) + a Proof of Concept to show feasibility of Double layer approach (Moderately vs Highly dimensional) and a formula based bridge
- Full taxonomy expected beginning of 2013

- March 2013: DPM and (subset) taxonomy published supporting the *Consultation Paper on the Proposal for Guidelines on submission of information to national competent authorities*
- ???

- Entry in force of Solvency II:
  - Initially end 2012
  - Postponed to beginning 2014 last august
  - Trialogue parties failed to reach an agreement during the Omnibus II discussion last September
- Omnibus needed
  - To bring the Solvency II directive in line with the Lisbon Treaty
  - To enable EIOPA drafting the technical standards following the Treaty architecture
- Many lengthy legal and operational (*e.g. translations*) steps still needed

- Best way to use the delay
- Encompass
  - Governance, ORSA, information and internal models
- Using EIOPA Guidelines powers
- Following a public consultation (until June)

- The Legal Entity Identifier (LEI) initiative is managed by the Regulatory Oversight Committee (ROC), which is a committee of authorities from around the world working to coordinate and oversee a global system of legal entity identification. The Legal Entity Identifier (LEI) is a 20-digit, alpha-numeric code that connects to key reference information that enables clear and unique identification of companies participating in global financial markets.
- The ROC, a stand-alone committee established after recommendations by the international Financial Stability Board (FSB) and subsequent endorsement by the Group of 20 (G-20) nations, held its inaugural meeting in January 2013. According to the FSB Report to the G-20, the ROC oversees that "there is a unique identifier for each entity that registers, and that there are reliable, while flexible, operational principles and standards applied to the origination and maintenance of LEI."
- The ROC has a plenary of members and observers from more than 70 authorities, as well as a regionally balanced Executive Committee that takes forward its work. The ROC is also supported by its standing Committee on Evaluation and Standards (CES).
- EIOPA is member of the ROC and CES.

- Technical Findings on the Long-Term Guarantees Assessment (LTGA) delivered to the Triologue parties on the 14<sup>th</sup> of June.
- May allow the co-legislators to finalise Omnibus II (thus Solvency II)
- Assessment used some principles, among them:
  - Efficient linking of all the 3 pillars (quantitative basis, qualitative requirements and **enhanced reporting and disclosure**);

- Complete Solvency II DPM and taxonomy available internally in June
- Public post consultation update of DPM/Taxonomy (end of year)
  - A subset of the unique Solvency II taxonomy, not a different one (e.g. using entry points)
- Tool for Undertakings:
  - First phase (analyse, ...) has started
  - First deliverable forecasted for the end of the year
  - Final version, end T1 2014.

## *The way forward ...*

Draft standards  
and guidelines by EIOPA

“Level 3”

Draft COM proposal for  
implementing measures

“Level 2”

Vote EU Parliament on OMDII

“Level 1”

Triologue on OMDII