



XBRL Europe day London – 2013-06-18

Update in Europe

Gilles Maguet – Secretary General XBRL Europe



XEU – Management

EXECUTIVE COMMITTEE

- ▶ Chair: XBRL Luxembourg represented by Marc Hemmerling
- ▶ Vice Chair: XBRL France represented by Jean Luc Menda (position open)
- ▶ XBRL Belgium represented by Camille Dumm
- ▶ XBRL Spain represented by Enrique Bonsón
- ▶ XBRL International represented by Tony Fragnito (for the permanent seat reserved to XBRL International)
- ▶ EFFAS represented by Hans Buysse (for the seat reserved to the Direct members)

AUDIT COMMITTEE

- Serge de Cillia from XBRL Luxembourg
- Norbert Flickinger from XBRL Germany



XEU – Members in 2012 ?

- ▶ XBRL International, XBRL Belgium, XBRL Denmark, XBRL France, XBRL Germany, XBRL Luxembourg, XBRL Italy, XBRL Netherlands, XBRL Spain, Deloitte Innovation B.V., EFFAS, Bermuda Monetary Authority, Fujitsu Poland, Infogreffe, Theia partners, E&Y EMEA, Bank al-Maghrib, XBRL United Kingdom (2012), BR&AG (2012 - provisional direct)
- ▶ Since then ATOS & UB Partners became members in 2013 ; Thus 21 members in 2013
- ▶ Prospects Finland and Sweden



XEU Working groups

- ▶ EU Business Register WG (Thomas Verdin)
 - Purpose : to increase the coordination and interoperability for European Business Register's XBRL efforts and taxonomies
 - mainly worked on the implementation of the European Directive 2012/17/EU 13 June 2012 for the interconnection of the BRs and on the taxonomy xEBR which reached the V7 version in including the BACH scheme. Tested between countries for the exchange of financial accounts.
- ▶ COREP FINREP SOLVENCY 2 WG (Derek de Brandt)
 - Group set up to allow the regulators to involve, within a neutral platform (XBRL Europe), the private stakeholders in the common works related to the COREP FINREP and Solvency II taxonomies with Eurofiling. Deliverables are Data Point Models, XBRL documents and taxonomies, know-how and materials for Supervisory Frameworks: COREP, FINREP and Solvency II.



XEU Working groups

- ▶ IFRS, SECURITIES AND MARKETS WG (Bodo Kesselmeier and Pierre Hamon)
 - Supporting European institutions and European associations in the area of capital markets with XBRL.
 - Supporting European national accounting standard setters and national supervisory authorities.
 - Offering a platform to European XBRL jurisdictions, listed companies, etc, to share XBRL experiences, e.g. how to implement EU national IFRS XBRL Taxonomy extensions
- ▶ Usability WG (Hans Buysse)
 - Attempts have been made in 2012 to reinitiate this group. Finally at the end of 2012 Hans Buysse, representative of EFFAS and member of the Executive committee has accepted to chair the WG and to gather some expertise in that respect before restarting the work.



XEU Working groups

- ▶ EU Adoption Committee (Gilles Maguet and Dave van den Ende – established in 2013)
 - Aim at liaising with the European Authorities and European and National stakeholders to coordinate all efforts vis à vis the adoption.
 - List all the decision makers in Europe and make attempt to meet them
 - Meet the EU authorities concerning the directives
 - Coordinate the answers to the various consultations
 - Populated by all members and observers

- ▶ Euromarcom (Poul Kjaer)
 - Support to the preparation of events like the CRD IV event in London
 - Support to the XEU days preparation
 - Marketing materials



Regulatory Reporting



INSURANCE

SOLVENCY II

2009/138/EC

OMNIBUS II

Adpted in April 2013



for reporting
(pillar 3)



BANKS

BASEL II / CRD

2006/48-49/EC and updates

BASEL III / CRD 4

Adopted in April 2013



for reporting
(COFINREP)



Regulatory/Company Reporting



LISTED COMPANIES

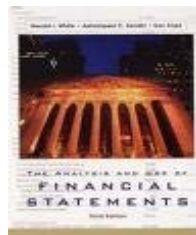
TRANSPARENCY

2009/307/EC

Voted the 12 June 2013



*for stock listed
Companies*



ALL COMPANIES

ACCOUNTANCY

2011/308/EC

Voted the 12 June 2013



*for « annual
accounts »*



COMPANIES - BR

BUSINESS REGISTERS

2012/17/EC

UNDER IMPLEMENTATION



*for crossborder
exchanges*





Transparency directive

- ▶ In 2013 (voted the 12th of June 2013), the transparency directive introduces XBRL as mandatory reporting for all listed companies as of the 1st of January 2020 in Europe, with the following text from the Commission (See http://europa.eu/rapid/press-release_MEMO-13-544_en.htm)
- ▶ "A harmonised electronic format for reporting would be very beneficial for issuers, investors and competent authorities, since it would make reporting easier and facilitate accessibility, analysis and comparability of reports. For this reason the preparation of annual financial reports in a single electronic reporting format will be mandatory as from 1 January 2020. *ESMA has been tasked to develop draft regulatory standards for adoption by the Commission, to specify the electronic reporting format, with due reference to current and future technological options, such as eXtensible Business Reporting Language (XBRL).*"



Transparency directive

- ▶ “The existing Transparency Directive requires each Member State to establish a storage mechanism to ensure access of the public to regulated information. However, access to such information on a pan-European basis is currently complicated: interested parties need to go through 27 different national databases which are not sufficiently interconnected. (...)
- ▶ For this reason, the revised Transparency Directive provides that a European electronic access point to regulated information will be developed and operated by ESMA. Member States shall ensure the access to their central storage mechanisms via the access point. The European Commission receives further delegated powers in this respect to facilitate access and search to regulated information at the Union level. ESMA would assist the European Commission by developing draft regulatory technical standards concerning, for example, the technical requirements for the operation of the central access point for regulated information and the technical requirements regarding communication technologies used by national storage mechanisms.”



Transparency directive – last text

- ▶ *(21a) A harmonised electronic format for reporting would be very beneficial for issuers, investors and competent authorities, since it would make reporting easier and facilitate accessibility, analysis and comparability of annual financial reports. Therefore, preparation of annual financial reports in a single electronic reporting format should be mandatory with effect from 1 January 2020, provided that a cost benefit analysis has been undertaken by ESMA. ESMA should develop draft regulatory standards for adoption by the Commission, to specify the electronic reporting format, with due reference to current and future technological options, such as eXtensible Business Reporting Language (XBRL). ESMA, when preparing the draft regulatory technical standards, should conduct open public consultations for all stakeholders concerned, make a thorough assessment of the potential impacts of the adoption of the different technological options, and conduct appropriate tests in Member States on which it should report to the Commission when it submits the draft regulatory technical standards. In developing the draft regulatory technical standards on the formats to be applied to banks and financial intermediaries and to insurance companies, **ESMA should cooperate regularly and closely with the EBA and the EIOPA, in order to take into account the peculiarities of these sectors, ensuring cross-sectoral consistency of work and reaching joint positions.** The European Parliament and the Council should be able to object to the regulatory technical standards in line with Article 13(3) of the ESMA Regulation, in which case these standards shall not enter into force.”*



Transparency directive – last text

- ▶ *"7a. With effect from 1 January 2020 all annual financial reports shall be prepared in a single electronic reporting format provided that a cost benefit analysis has been undertaken by ESMA.*
- ▶ *ESMA shall develop draft regulatory technical standards to specify the electronic reporting format, with due reference to current and future technological options. Before the adoption of the draft regulatory technical standards, ESMA shall carry out an adequate assessment of possible electronic reporting formats and conduct appropriate field tests. **ESMA shall submit those draft regulatory technical standards to the Commission at the latest by 31 December 2016.***
- ▶ *Power is delegated to the Commission to adopt the regulatory technical standards referred to in the second subparagraph of this paragraph in accordance with Articles 10 to 14 of Regulation (EU) No 1095/2010."*



Accountancy directive

- ▶ In 2013 (voted the 12th of June 2013), For the accountancy directive (non listed companies) the text has been reduced to an encouragement to the Member *“to develop electronic publication systems that allow undertakings to file accounting data, including statutory financial statements, only once and in a form that allows multiple users to access and use the data easily. With regard to reporting financial statements the Commission is encouraged to explore means for a harmonised electronic format. Such systems should, however, not be burdensome to small and medium-sized undertakings.”* (to be checked)
- ▶ Evidently with in addition the directive of interconnection of the business registers voted in June 2012, it will also open the way to XBRL in this sector as well.



Accountancy directive

- ▶ Issues for the directive to be implemented
- ▶ Negotiations between MS and Commission within the so-called expert groups which exist for each directive
- ▶ In the case of Accountancy this is the ARC – Accounting Regulatory Committee (Composition is known but not the names of persons)
- ▶ Other Committees and Expert Groups :
 - European Financial Reporting Advisory Group (EFRAG)
 - Standards Advice Review Group (SARG)
 - Roundtable for the consistent application of IFRS

ARC Comp.



MEMBERS And most frequent composition of delegation

<u>Austria</u>	Bundesministerium für Justiz Finanzministerium Finanzmarktaufsicht
<u>Belgium</u>	Ministère des Affaires Economiques Commission des Normes Comptables
<u>Bulgaria</u>	Ministry of Finance
<u>Cyprus</u>	Permanent Representation to the EU Ministry of Finance
<u>Czech Republic</u>	Ministry of Finance
<u>Denmark</u>	Danish Financial Supervisory Authority Danish Commerce and Companies Agency
<u>Estonia</u>	Ministry of Finance

<u>Italy</u>	CONSOB ISVAP Banca d'Italia Ministry of Economy and Finance
<u>Latvia</u>	Ministry of Finance
<u>Lithuania</u>	Ministry of Finance Accounting Institute
<u>Luxembourg</u>	Commission de Surveillance du Secteur Financier Ministère de la Justice
<u>Malta</u>	Accounting Board Ministry of Finance
<u>Netherlands</u>	Ministry of Justice Ministry of Finance
<u>Poland</u>	Ministry of Finance
<u>Portugal</u>	CMVM CNC Ministry of Justice
<u>Romania</u>	Ministry of Public Finance

Finland

Ministry of Finance
Ministry of Social Affairs and Health

France

Conseil National de la Comptabilité
Ministère de l'Economie, des Finances et de l'Industrie
(trésor)

Germany

Bundesministerium der Justiz
Bundesministerium für Wirtschaft und Arbeit

Greece

Greek Accounting and Auditing Oversight Board
Ministry of Economy and Finance

Hungary

Ministry of Finance

Ireland

Institute of Chartered Accounts in Ireland
Department of Enterprise, Trade and Employment

Slovakia

Ministry of Finance

Slovenia

Permanent Representation to the EU
Slovenian Institute of Auditors

Spain

Banco de España
ICAC

Sweden

Ministry of Justice

United Kingdom

Department of Trade and Industry

OBSERVERS

Iceland

Ministry of Finance

Norway

Financial Supervisory Authority
Ministry of Finance

European Central Bank

Banking Advisory Committee (BAC)

Committee of European Banking Supervisors (CEBS)

Committee of European Security Regulators (CESR)

Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS)

CHAIR and SECRETARIAT

European Commission

EXPERTS

EFRAG (when invited)



Accountancy directive

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ARC minutes

➤ Last ARC meeting with Commission 25 Feb –on Electronic reporting

➤ **Q1: Questionnaire.**

➤ COM explained it intended to compile the answers and make them available to the public.

➤ MS reported their successful XBRL projects. In DE obligatory tax taxonomy for e-balance sheet will be introduced next year, however for statutory accounts companies are only getting a price incentive to choose an interactive format instead of Word or pdf. In the UK tax returns are mandated in XBRL and stock exchanges will require XBRL. EE reported significant savings, benefits and reduction of complaints after implementing XBRL 3 years ago. PL reported successful XBRL banking project for COREP/FINREP reporting and for large exposures.

➤ FR however, despite numerous digitalisation initiatives, reported no demand for XBRL in accounting, low XBRL visibility/understanding, risks of high costs and reports being manipulated by the markets. The MS saw XBRL justified only if integrated with other administrative disclosure requirements.

➤ (...)



ARC minutes

➤ Q2: EU GAAP taxonomy

➤ COM clarified that its intention was to mitigate the risk of inconsistent XBRL application by developing of a non-binding core XBRL within the Interoperability Solutions for Public Administrations (ISA) framework program.

➤ NL and IT supported the idea. NL wanted to contribute and work with DG Markt and DIGIT to evaluate potential advantages of EU taxonomy respecting national GAAPs which remain not fully harmonized. IT stressed that and EU taxonomy may help manage options. IT, NL and UK underlined a particular care which would need to be taken to balance costs with benefits. IT stressed that EU taxonomy should be rather developed by COM (with participation of EU authorities) than by the market.

➤ DE and FR were not enthusiastic about the idea and questioned the need for common core taxonomy. Those MS stressed taxonomies existent in MS would need to be adjusted to the core. DE, EE, ES, LUX, PL and UK also worried that, unlike the COREP/FINREP banking project, exemptions and options in the Accounting Directive will be difficult to accommodate, undermining the viability of the whole development project. UK made a remark that when a voluntary system exists it's easier to mandate.

➤ COM, in a summary, stated that once TD/ACC adopted it would have seen no obstacles to conduct the survey on XBRL and other existing formats. For a common core EU GAAP taxonomy however, further discussions will be necessary. COM announced an XBRL explanatory document to be presented at the next meeting.



XBRL National & European projects

Banking (inc.regulator) sector	Business Register Sector	Revenue&Tax Filing	National Statistics	Securities Regulator	Insurance Regulator	Other (Stock exchg, Private)
13 projects 8 for mandatory filing	13 projects 7 for mandatory filing	6 projects 4 for mandatory filing	6 projects	3 projects 1 for mandatory filing (Spain)	2 known projects 2 for mandatory filing Many in preparation in NSAs	10 projects

More than 55 XBRL identified projects in 19 European countries for national reporting or at European level for European reporting



XBRL Europe

Europe has been set up to foster European XBRL efforts and to implement common XBRL projects in Europe between its members and to liaise with European Authorities and organizations

	XBRL International		THEIA Partners
	XBRL Luxembourg		European Federation of Financial Analyst Societies
	XBRL Netherlands		Deloitte Innovation BV
	XBRL Spain		Bermuda Monetary Authority
	XBRL Germany		Fujitsu Poland EMEA
	XBRL France		InfoGREFFE
	XBRL Italy		Ernst & Young EMEA
	XBRL Belgium		Bank Al Maghrib (Central Bank of Morocco)
	XBRL Denmark		Business Reporting Advisory Group
	XBRL United Kingdom		Atos International
			UB Partner

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- EFFAS represented by Hans Buysse (for the seat reserved to the Direct members)

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XBRL Events in 2013

- CRD IV/Basel3 Reporting conference in London in June 2013 organised by XBRL UK and XBRL Europe and EBF
- 11th XBRL Europe day including a General Assembly and 17th Eurofiling workshop – London June 2013
- 12th XBRL Europe day and 18th Eurofiling workshop – Luxembourg December 2013
- XEU Business Register WG/ECRF workshop – Rome – End 2013 – Beginning 2014



Thank you – Questions & Contacts



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Secretary General of XBRL Europe, the European organisation grouping European XBRL Members of the non-profit XBRL International consortium of over 650 members developing the XBRL Standard.

He is the past Secretary General of XBRL France which has developed several XBRL projects such as those in the banking sector or in the business register sector.