



**2 June 2015**

**Transparency Directive from ESMA, an  
understanding from the market - XBRL update  
in Europe**

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Europe**



# The landscape Present Implementation in Europe

Banking regulated sector	Insurance regulated sector	Securities Market Regulated sector	Business register sector	Tax sector	Statistics	Others(Stock exchg, Private)
More than 15 projects  NCAs for mandatory reporting and many in preparation and from NCAs to EBA EBA Project with the new COREP and FINREP taxonomies	10 to 15 projects  22 under Preparation within the NCAs for mandatory reporting and from NCAs to EIOPA EIOPA project with Solvency II Taxonomy	3/4 projects  1 for mandatory reporting (Spain CNMV IFRS Taxonomy) ESMA project for listed companies reporting following EU-IFRS XBRL Taxonomy	13 projects  8 for mandatory reporting of annual accounts following National Gaap taxonomies	6 projects  4 for mandatory reporting following local fiscal taxonomies	6 projects	10 projects

From 65 XBRL projects in 19 European Countries for **national** reporting or **European** Reporting though EU directives

# XBRL Projects in the BRs in Europe

- 13 projects/7 for mandatory or quasi mandatory filings. Mainly local GAAPs, 2/3 with National GAAPs & IFRS (UK, DK, GER). **Bottom up approach**
  - Belgium – BNB – Mandatory Filing – 2007 – 400.000 filings
  - Denmark DCCA – Mandatory Filing – 2011 – 210.000 filings
  - Italy Infocamere – Mandatory Filing – 2011 – 1.200.000 filings
  - Spain – Collegio Registradores – 2009 – Mandatory Filing – 900.000 filings
  - UK Companies House – Mandatory Filing – 2008/2011 – 1.900.000 filings
  - Germany – Bundesanzeiger– Quasi mandatory Filing – 600.000 filings
  - Netherlands – Ch.of Comm./SBR – 2015 Mandatory – 844.000 filings
  - Estonia – eRIK –BR– Mandatory –2010 – Mandatory – 140.000 filings
  - Voluntary filings in Luxembourg and Sweden,
  - France – Infogreffe – data available in XBRL – 800.000 companies
  - Projects in Ireland, Poland
- Thus millions (5/7) of XBRL financial statements/year available in Europe
- Initiative from XBRL Europe EU BR WG with xEBR taxonomy tested between some BRs for the exchange of XBRL information



# Member states XBRL Projects in Europe



## ➤ National/member states initiatives

- Tax sector: Mandatory or quasi mandatory XBRL reporting in the NL, IE, GER, BE, UK. Projects in DK, SE
- Statistics sector : Mandatory filing in BE, GE, IT and voluntary in DK, LUX & NL
- Banking sector : Present Corep & Finrep projects: 13 NCA projects for mandatory reporting in XBRL to the banks and more in preparation. Most likely circa 15/20 countries will impose the new Corep & Finrep to their regulated banks. Credit reporting to Retails banks Project in the NL
- Insurance Sector, Solvency II NCA projects for mandatory filing from undertakings under preparation
- Securities Market sector – CNMV in Spain mandatory XBRL filing since 2005, authorized in Germany, feasibility study in Italy



# New EU Initiative: DAE for 2020

- Digital Agenda (2015) : –> reboot EU economy and enable Europe's citizens and businesses to get the most out of digital technologies.
- Data is at the centre of the future knowledge economy and society
- Availability of good quality, reliable and interoperable datasets and enabling infrastructure
- The datasets themselves: good quality reliable and trusted data coming from large datasets, (...) financial data,





# New EU initiative: CMU

- Capital Market Union: Green Paper (2015) from EU talks about “insufficient integration of the benefits of digitalisation. Exchanges of information between companies, shareholders and public authorities are often still paper-based.”
- The document proposes:
  - More efficient approaches towards supervisory and market reporting, for example to develop common IT approaches
  - Develop Building blocks of a well-regulated and integrated CMU
  - A single rulebook for financial services
  - Common, and high quality accounting standard tailored to the companies listed on certain trading venues (...) especially for SMEs, making such companies more attractive to cross-border investors.
- On going Consultation process



# Present EU XBRL projects



## BANKS

### BASEL II / CRD

*2006/48-49/EC and updates*

### BASEL III / CRD 4

*Adopted in April 2013*



for  
**COREP FINREP**  
Reporting of Banks

## INSURANCES

### SOLVENCY II

*2009/138/EC*

### OMNIBUS II

*Adopted in April 2013*



For Solvency II (Pillar 3)  
reporting of Insurance  
Companies

## LISTED COMPANIES

### TRANSPARENCY

*2009/307/EC*

*Voted the 12th June 2013*



For Stock Listed  
companies reporting  
As of 1 January 2020  
?

The European Union flag, featuring a blue field with twelve yellow stars arranged in a circle.

# European institutions XBRL Projects

- EU (EP/EC) Regulatory initiatives with the directives implementation – **top down approach**
  - **BANKING:** EBA Corep & Finrep project for mandatory filing from 28 NCA countries and ECB (SSM) Corep & Finrep from the main 200 banks in Eurozone
  - **INSURANCE:**
    - EIOPA Solvency II project for mandatory filing from 28+ NCAs
    - And in countries : as of SURVEY March 2015
      - XBRL will be Mandatory in 22 Countries
      - XBRL will be Optional in 7 countries
      - XBRL will not be possible in 1 country



The flag of the European Union, featuring a circle of twelve gold stars on a blue background.

# European institutions XBRL Projects

- EU (EP/EC) Regulatory initiatives with the directives implementation – top down approach
- **SECURITIES MARKET (LISTED COMPANIES) – ESMA**
  - XBRL possible standard for mandatory reporting as of the 1<sup>st</sup> of January 2020. Directive covers the whole supply chain (filing, storing, availability of datas) ESMA ESEF Task force
  - ESMA is in charge of its implementation, in amongst many tasks of:
    - Drafting the regulatory technical standard (the content) to be submitted to the European Commission
    - Proposing to the European Commission the European Single Electronic Format – ESEF in XBRL
    - Establishing the European Electronic Access Point – EEAP interlinking and somehow restructuring the Officially Appointed Mechanisms – OAMs
  - XBRL Europe provided to ESMA 2 Q&As on XBRL (see [www.xbrleurope.org](http://www.xbrleurope.org))



## ➤ ESMA WORK ON TRANSPARENCY DIRECTIVE

### ➤ The Calendar

- 2014–2015 – ESMA proposes definitely the ESEF (XBRL?) in developing a Cost Benefit Analysis.
- 2014 – 2016 – ESMA develops and tests the draft regulatory technical standards (the content) based on the IFRS
- Since 31 December 2016 – EC adopts officially the regulatory technical standards
- 1st January 2018 – Setting up and exploitation of the Single Electronic Access Point (storage and availability of Financial statements) in XBRL
- 1 January 2020 – Mandatory Reporting (in XBRL?) by listed companies



### ➤ ESMA WORK ON TRANSPARENCY DIRECTIVE – EEAP

- Launched in December 2014 a consultation towards the market on the EEAP standards for the definition and the architecture and the standards for the EEAP
- 6 answers were received in which 1 from a grouping of OAMs and one from XBRL Europe
- See all answers at  
<http://www.esma.europa.eu/content/Draft-Regulatory-Technical-Standards-European-Electronic-Access-Point-EEAP>



## ➤ ESMA WORK ON TRANSPARENCY DIRECTIVE – ESEF

- Launched in September 2014 a questionnaire towards 400 + chosen respondents (like users, OAMs, NCAs) in all EU member states about the use of the ESEF and the possible standards
- This questionnaire and the answers were the basis of the Cost Benefit Analysis mentioned in the Transparency directive.
- ESMA carried out this CBA during the 1<sup>st</sup> quarter of 2015
- CBA document is still in draft but is completed. ESMA has not published it for the moment.



### ➤ ESMA WORK ON TRANSPARENCY DIRECTIVE – ESEF

- The questionnaire and the CBA envisaged 4 possible options:
  - Option 1: Use of eXtensible Business Reporting Language (XBRL).
  - Option 2: Use of Inline XBRL (iXBRL),
  - Option 3: Use of XML technology.
  - Option 4: Use Extensible Hyper Text Markup Language (XHTML) technology.





## ➤ Conclusions of the CBA

- Transparency directive : *“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”.*
- XBRL and iXBRL are the most beneficial options (and less costly) and are better aligned with the objectives of the TD in terms of information improvement and technological facility.
- Adoption of XBRL or iXBRL : to foster the achievement of the objectives of the TD and result in an enhancement of the attractiveness of EU capital markets and an increase in the investment flows



- The whole XBRL community welcomes the conclusion of the Draft CBA from ESMA and is eager to cooperate with its implementation



# 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.