



THE XBRL NETWORK OF THE  
COMMITTEE OF EUROPEAN BANKING SUPERVISORS

COORDINATION

Mr. Michael Ohata  
Chairman of the XBRL Standards Board

CX-071  
2006-07-18

## **Subject: Priorities on XBRL Standards**

Dear Michael,

Europe is upgrading its Supervisory practices, implementing the code-named FINREP (IFRS based) and COREP (Basel II) reports. An important number of European Banking Supervisors are implementing XBRL solutions for these reports. The Committee of European Banking Supervisors is supporting such efforts, acting as coordinator through its XBRL Network.

The reporting framework must be operational in 2007. The implementation projects need a final version of COREP and FINREP taxonomies in September 2006. The CEBS XBRL Core Team is ready to accept this challenge. A complete version of COREP taxonomies was published in March 2006 for Public Comments. FINREP taxonomy is an extension of IFRS in XBRL terms.

After publishing the COREP and FINREP taxonomies in September 2006, these taxonomies will be frozen, in order to not interfere with national extensions and implementations. Therefore, changes should be avoided.

Public statements and detailed information is available at [www.c-eps.org](http://www.c-eps.org) as well as at [www.corep.info](http://www.corep.info) and [www.finrep.info](http://www.finrep.info)

The collaboration of the XBRL Standards Board is kindly requested to help in this important effort, with particular emphasis on the following list of priorities:

### **1<sup>st</sup> Priority: XBRL Dimensions**

COREP and FINREP are based on the Dimension Specification. In fact, this Specification was mainly developed as an XBRL solution for the COREP business case. Most of the work was finalized by July 2005. Statements about a short-term finalization were issued from XBRL International qualified sources. Public Working Draft status was achieved on 2005-12-31. However, the Dimension Specification is still in a Provisional Status

Risk: Any change in the Dimension Specification may have a huge impact on the multi-national implementation in Europe. Any change in the Dimension Specification would be

carefully assessed in several countries, in order to carry out the necessary change procedure. Any change in the Dimension Specification after August 2006 is a clear source of problems.

Recommendation: Approve the Dimensional Specification by September 2006.

## **2<sup>nd</sup> Priority: XBRL Formulas**

One of the biggest expectations for XBRL in the area of regulatory institutions is the improvement of the quality of data submitted. This is possible with a standard that defines both the data to exchange and the business rules that must be followed. In this way, regulated entities can check internally the consistency of the data before its submission to regulators. Currently, the XBRL Standard only covers a very basic set of business rules. The FDIC has developed proprietary solutions to cover this deficiency.

In Europe, in our business case, standard solutions have clear advantages:

- Business rules should be shared: the information submitters must be able to check its compliance at the point of original data entry.
- The solution may be extended, and therefore reused in several countries.
- An open market of standard solutions provides huge benefits to the users.

FINREP and COREP would benefit greatly by speeding up the formula extension to the XBRL, which has been frozen for a long time.

Risk: Developing proprietary solutions for Supervision in Europe will fragment the market and compromise the XBRL implementation. One of the most important promises of the XBRL Standard, the multi-vendor open market approach, may be replaced by proprietary solutions.

Recommendation: XBRL Consortium is kindly requested to issue a statement about Formula availability.

## **3<sup>rd</sup> Priority: XBRL Versioning**

In the medium term, the taxonomies in production should be realigned with the unavoidable business changes. Helping to achieve some compatibility among past, present and future taxonomies is the goal of versioning. But the news about the advances being made in the Versioning Specification is not very promising.

Risk: Not making different versions of the same taxonomy compatible hinders the potential of XBRL to manage instances issued at different points of time; managing historical data will remain out of the XBRL capacities

Recommendation: Encourage the XBRL practitioners to help in the design of solutions for the XBRL Versioning Specification

I hope the information provided in this letter will allow the XBRL Standards Board to agree on a way to move forward in order to support a smooth implementation of XBRL solutions among European Supervisors and Banks.

Yours sincerely,

[]

Ignacio Boixo