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LODI

Standardizing ESEF Country extensions: Italian example

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Italian field test results

Banks

	All Statements	Statement of		
		Financial Position	Profit or Loss	Cash Flows
Min.	34%	27%	43%	19%
Average	42%	40%	49%	40%
Max.	53%	58%	55%	57%
Standard Deviation	8%	12%	4%	15%

Other (with Oil & Gas)

	All Statements	Statement of		
		Financial Position	Profit or Loss	Cash Flows
Min.	10%	4%	28%	18%
Average	33%	20%	40%	42%
Max.	55%	33%	66%	72%
Standard Deviation	13%	13%	12%	17%

Oil & Gas

	All Statements	Statement of		
		Financial Position	Profit or Loss	Cash Flows
Min.	10%	4%	28%	18%
Average	16%	4%	29%	20%
Max.	21%	4%	29%	22%
Standard Deviation	6%	0%	1%	2%

Main findings of field tests:

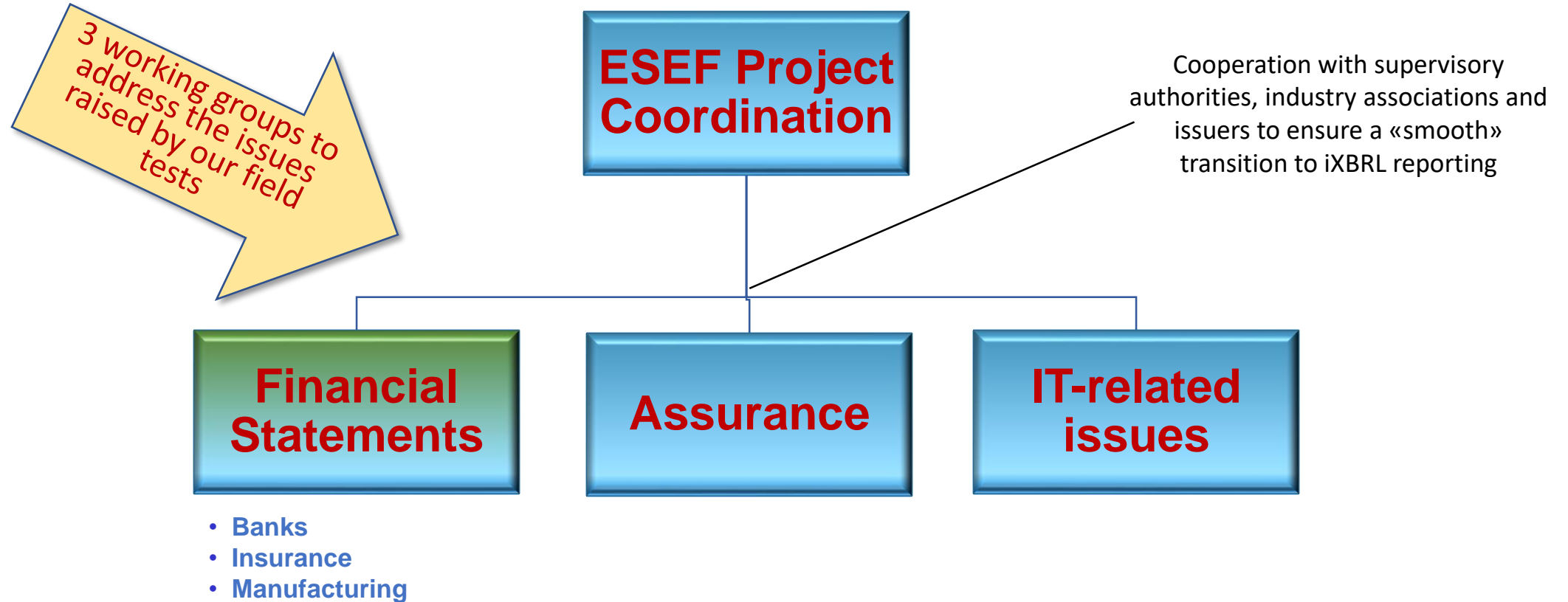
- **a very high level of customization will be required**, depending on the **industry** and the level of **internationalization** of the company
- **multinational entities seem to require less customization**
- **participating banks were concerned about the ESEF requirements**, given that the official banking financial statements requested by regulators can make it hard to find corresponding items within the ESMA Core Taxonomy 2017 framework
- the **Statement of Financial Positions** seems to be the one with the **lowest number of tagging issues**
- the **Profit or loss** and the Cash flows statements, on the other hand, **required the largest number of customizations**

Open issues

XBRL Italy identified a number of open issues on which it resolved some actions should be taken.

- The high level of customization required of issuers in some specific industries (ie. banks, insurance undertakings, etc.) could jeopardize comparability of financial statements
- Some thoughts should be given to how assurance in our country should be affected by the ESEF Regulation
- Another very important open issue regards the filing of the iXBRL financial statements

XBRL Italy's approach



Financial Statements



**The Financial
Statements Teams**

Drawing on the Italian field results, the WG will :

- check the "tagging" effected by the undertakings that participated in the field tests;
 - test the way the anchoring procedure was performed;
 - identify extensions by industry and share a common practice under the guidance of regulators;
 - draft guidelines for issuers on the shared tagging of financial statements.
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Assurance



The Assurance Team

Falling within the scope of the Assurance Team are the following:

- assess the legal value of financial statements tagging as per the ESEF RTS and inform decisions by supervising authorities;
 - analyze the impact of tagging on the governance and on the internal and external control systems;
 - the fallout in terms of filing financial statement reports with the business registers.
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Technology



The IT Team

The technology assessment team shall:

- address and inform issuers on the iXBRL instances filing with the Officially Appointed Mechanisms and business registers;
 - address the issues related to the storage of iXBRL files and the
 - transmission to supervisory authorities.
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**THANKS FOR YOUR ATTENTION AND...
STAY TUNED**

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