Bank & Insurance Working Group
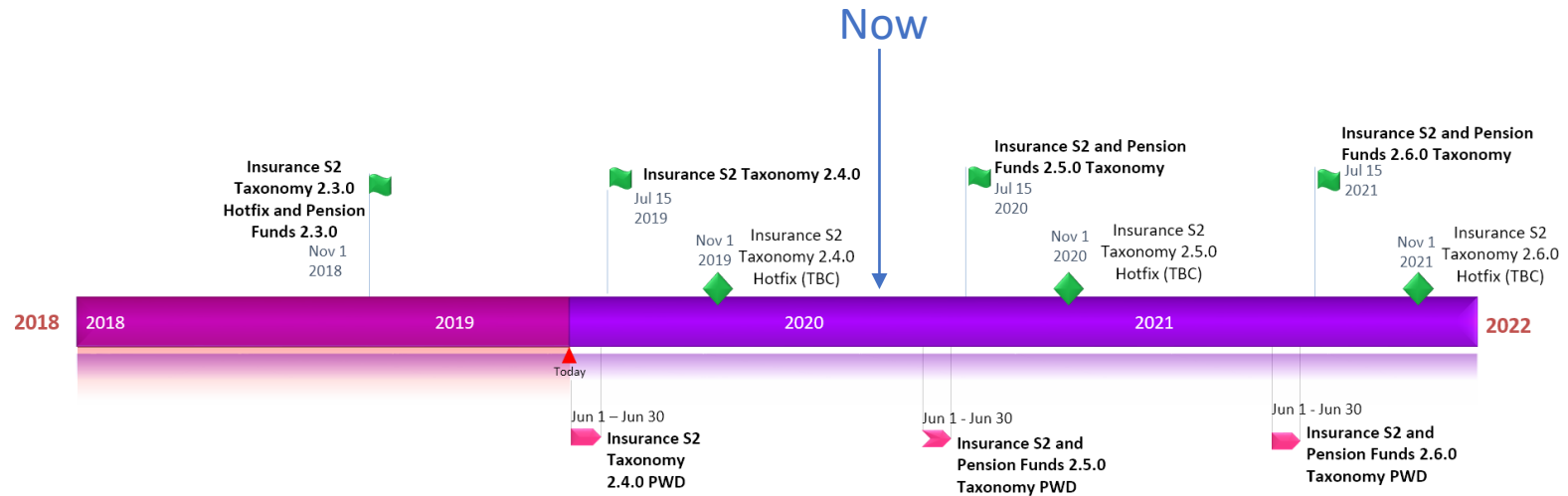
- Thomas Verdin
- *Tesh Advice*

- Vincent Le Moal-Joubel
- *Banque de France*

Taxonomies - EIOPA

Now

Insurance S2 Taxonomy 2.3.0 Hotfix and Pension Funds 2.3.0 — Nov 1 2018

Insurance S2 Taxonomy 2.4.0 — Jul 15 2019

Insurance S2 Taxonomy 2.4.0 Hotfix (TBC) — Nov 1 2019

Insurance S2 and Pension Funds 2.5.0 Taxonomy — Jul 15 2020

Insurance S2 Taxonomy 2.5.0 Hotfix (TBC) — Nov 1 2020

Insurance S2 and Pension Funds 2.6.0 Taxonomy — Jul 15 2021

Insurance S2 Taxonomy 2.6.0 Hotfix (TBC) — Nov 1 2021

2018 | 2018 | 2019 | 2020 | 2021 | 2022

Today

Jun 1 – Jun 30 — Insurance S2 Taxonomy 2.4.0 PWD

Jun 1 - Jun 30 — Insurance S2 and Pension Funds 2.5.0 Taxonomy PWD

Jun 1 - Jun 30 — Insurance S2 and Pension Funds 2.6.0 Taxonomy PWD

- Production version released the 15th of July
- Not many changes from 2.3
- Controls are more documented
  - Error messages harmonized
  - Arithmetic interval indicated
  - Default values explained
- ~~V2.4.0 hotfix should not be necessary~~ (It has been necessary)

Taxonomies - EIOPA

- SII v2.4
  - Brexit
    - Introduction of new members in GA domain

Label	Name	Default	Owner	Creation date
UNITED KINGDOM (GIBRALTAR)	GI		s2c	07/07/2014
UNITED KINGDOM	GB		s2c	07/07/2014
UNITED KINGDOM (AFTER BREXIT)	x115		s2c	15/07/2019
UNITED KINGDOM (GIBRALTAR) (AFTER BREXIT)	x116		s2c	15/07/2019

  - Difference is the presence in Europe hierarchies or not
  - New « After Brexit » members are not usable by defaults, controls will be removed when applicable
    - In 2.5, « After Brexit » members will lose this label and older members will gain label « Before Brexit)

Taxonomies - EIOPA

- SII v2.4 Hotfix
  - EIOPA announced the release of new taxonomy hotfix
    - Has been published the 4th of November
    - Only includes validation corrections
      - Datapoints from 2.4 remain compatible
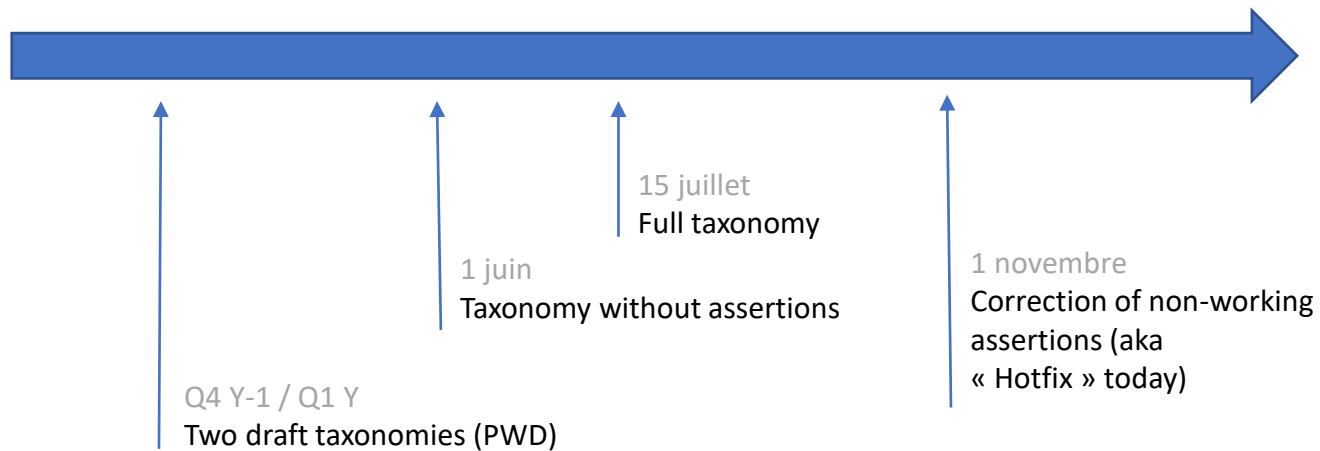   - 15 validations modified

Taxonomies - EIOPA

- SII v2.4 Hotfix

Assertion ID	Reason
BV258_2	[Reason for HotFix] The validation severity shall be non-blocking to be in line with the severity amendment done to BV258_1. [Amendment comparing to 2.3.0 Hot Fix release] Change to the error message.
BV565_1	[Reason for HotFix] Validation may not work properly for subordinated liabilities. The deactivation was announced via the QA process. [Amendment comparing to 2.3.0 Hot Fix release] Change to the error message.
BV565_2	[Reason for HotFix] Validation may not work properly for subordinated liabilities. The deactivation was announced via the QA process. [Amendment comparing to 2.3.0 Hot Fix release] Change to the error message.
BV566_1	[Reason for HotFix] Validation may not work properly for subordinated liabilities. The deactivation was announced via the QA process. [Amendment comparing to 2.3.0 Hot Fix release] Change to the error message.
BV566_2	[Reason for HotFix] Validation may not work properly for subordinated liabilities. The deactivation was announced via the QA process. [Amendment comparing to 2.3.0 Hot Fix release] Change to the error message.
BV574_1	[Reason for HotFix] Deactivated due to the necessity to change the list of applicable rows to reflect the changes in the ITS. [Amendment comparing to 2.3.0 Hot Fix release] Applicable rows have changed. Change to the error message.
BV574_2	[Reason for HotFix] Deactivated due to the necessity to change the list of applicable rows to reflect the changes in the ITS. [Amendment comparing to 2.3.0 Hot Fix release] Applicable rows have changed. Change to the error message.
BV575_1	[Reason for HotFix] Deactivated due to the necessity to change the list of applicable rows to reflect the changes in the ITS. [Amendment comparing to 2.3.0 Hot Fix release] Applicable rows have changed. Change to the error message.
BV575_2	[Reason for HotFix] Deactivated due to the necessity to change the list of applicable rows to reflect the changes in the ITS. [Amendment comparing to 2.3.0 Hot Fix release] Applicable rows have changed. Change to the error message.
BV608_2	[Reason for HotFix] Wrong technical implementation of regular expression inside matches clause, which may lead to omission of the "1,2" token. [Amendment comparing to 2.3.0 Hot Fix release] Change to validation. Change to the error message.
BV897	[Reason for HotFix] Wrong technical implementation of the validation. Using "=" operator instead of ">=". [Amendment comparing to 2.3.0 Hot Fix release] Change to validation. Filter has changed. Change to the error message.
BV1030	[Reason for HotFix] The validation should also include Future guaranteed benefits and Future discretionary benefits
EV58	[Reason for HotFix] Validation incorrectly defined variable for E.03.01.16.02
BV1032	[Reason for HotFix] The validation doesn't match the values between technical tables correctly
BV1072	[Reason for HotFix] Current business definition is not correct. The validation should require reporting r0450 in case where rows r0461, r0462, r0480-0483 are left blank

Taxonomies - EIOPA

- SII v2.5
  - Small taxonomy evolution
    - No amendement to SII Regulation but
    - Fixes to taxonomy issues
    - Update of the list of validations
    - Changes for ECB addon and IORP
    - Address the Brexit in a « definitive » way
  - *Will include Pension Fund (IORP) as a framework in the same taxonomy*

- SII v2.6 (2021.1)
  - Technical changes due to the « Big Review 2020 ». Consultation will begin during this fall
  - Validation mechanism will evolve
    - An open template will be introduced to add comment explaining why a « warning » control is triggered
    - Severity of control will be modified during lifecycle
  - The taxonomy will be named « 2021.1 » and not « 2.6 »

Taxonomies - EIOPA

- Big Review 2020
  - New proposed taxonomy lifecycle

15 juillet
Full taxonomy

1 juin
Taxonomy without assertions

1 novembre
Correction of non-working assertions (aka « Hotfix » today)

Q4 Y-1 / Q1 Y
Two draft taxonomies (PWD)

Taxonomies - EIOPA

- Big Review 2020
  - Assertions during taxonomy lifecycle
    - Date of publication of deactivated assertions will be fixed communicated in advance
    - Severity downgrade will be applied instead of deactivation in certain cases
    - EIOPA would like to change XBRL specification to adapt the severity of a control to certain criteria, for exemple, set severity to Warning when the filing is « ad hoc »

Taxonomies - EIOPA

- Precision mechanism
  - Two options are discussed
    - Keep the interval arithmetic as it is with a higher tolerance
    - Use the Relative Error formula

- Harmonization of validations in Europe
  - Some NCAs have locally changed assertions (severity in most cases)
  - EIOPA suggests to create a common repository of NCA XBRL validations including the NCA validations

Taxonomies - EIOPA

- Improvement on DPM database
  - EIOPA wants to introduce a new way to identify datapoints through time

- Instance format
  - EIOPA is thinking about using the nearly validated OIM specification, allowing the use of CSV or Json to describe XBRL instances instead of XML

- Translation of the taxonomy and Business logs
  - EIOPA is relaunching the project of translation of the taxonomy in all EU languages. They also plan to add business logs instructions. It's a complex task, with no guarantee.

Taxonomies - EIOPA

- PEPP reporting
  - Pan-European Personal Pension product
  - EIOPA currently preparing a draft ITS on supervisory reporting and exchange of information. This contains
    - Articles on supervisory reporting and exchange of information
    - Annotated templates for the PEPP
    - Instructions (LOG files)
    - Annexes with regards to the information needed from a business format for the exchange of information and cooperation
  - Supervisory reporting package includes:
    - Information on the product (PEPP savers, financial flows, costs,…)
    - Overview of investments and technical provisions
    - List of assets & look-through
    - Open Derivatives
    - Gains and Losses

Taxonomies - EIOPA

- PEPP reporting
  - Agenda
    - Publication of Regulation: **25 July 2019**
    - Deadline for EIOPA to deliver ITS: **14 August 2020**
    - First reference date for reporting : **Q1/Q2 2022**

  - Implementation
    - Standalone framework or included in SII : not decided yet

Taxonomies - EIOPA

- COVID-19 recommendation on reporting and discolure
  - EIOPA has published a paper : https://www.eiopa.europa.eu/sites/default/files/publications/eiopa-recomendation-on-reporting-and-disclosure.pdf
  - Some templates will benefit a 4 to 8 week delay for annual and quarterly reporting
    - To do so, some validations will be deactivated. EIOPA will publish the list on its website on 3rd April :

BV333	BV357
BV337	BV361
BV340	BV362
BV341	BV687
BV353	BV706
BV356	TV68

Taxonomies - EBA

- v2.9
  - Modulary releases

Release roadmap of v2.9 reporting framework

EBA EUROPEAN BANKING AUTHORITY

- Phase 1 (published on 29 May)
  - 2.9.RES: Resolution reporting
  - 2.9.LCR: Liquidity Coverage Ratio (LCR amending Delegated Act)
  - 2.9.COR: COREP (new securitisation framework)

- Phase 2 (published on 21 August)
  - 2.9.FIN - FINREP (NPE, P&L and IFRS 16)
  - 2.9.SBP: Supervisory benchmarking of internal models
- 2.9.1 COREP corrected version (target November)
- 2.9.1.1 Validation rule updated version (target January)
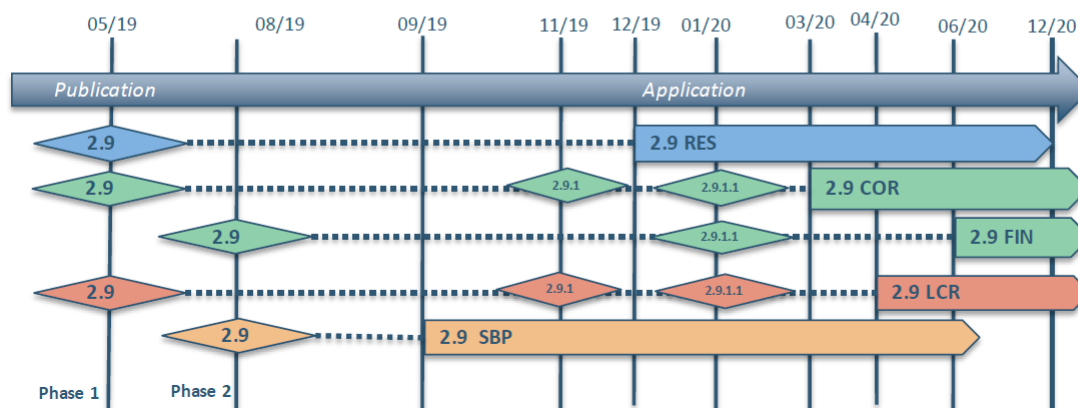
Taxonomies - EBA

- v2.9
  - Quality : Increase in the frequency of taxonomy patches

	Updated VR package	Small VR package
Scope	Includes: ✓ New and amended rules, ✓ Severity status changes, ✓ Deactivations and reactivations	Includes: ✓ Reactivations and deactivations, ✓ Severity status changes (up+down)
Format	Hotfix / patch	✓ Updated excel file with activations/ deactivations/severity status changes ✓ Micro XBRL taxonomy release (only when there are severity status changes, to avoid manual efforts)
Publication	Around 2 months prior to the first applicable reference date	Each quarter (replaces current deactivation list)
Application	Next framework (i.e. in 2 months)	Framework in use. Uniformly to subsequent (re)submissions for that framework (incl. past reference dates)
Timeline for move to new approach	Published January 2020 (main part of v2.9 (FINREP, COREP) applies from March 2020)	June 2020 (Micro taxonomy not before 3.0→Mar 2021)

Taxonomies - EBA

- v2.9.1
  - Released in November
  - Not a hotfix, datapoints are not all compatible
    - Mainly to fix datapoints greyed out, or incorrectly not greyed out
    - Examples:
      - LCR_DA R0035/C0010-C0020 : greyed out
      - ALM R0120/C0010-C0070 : dimension « Nature of counterpart » added

  - Validation fixes, maybe 3 new assertions (depending on feedbacks on the internal draft distributed to NCAs)

Taxonomies - EBA

- v2.9.1
  - Impacted entrypoints:
    - COREP_ALM : Additional Liquidity Monitoring
    - COREP_LCR : Liquidity Coverage
    - COREP_LCR_DA : LCR Delegated Act
    - COREP_LE : Large Exposures
    - COREP_LR : Leverage Ratio
    - COREP_NSFR : Stable Funding
    - COREP_OF : Own Funds
    - FINREP9_GAAP : Finrep Reporting (IFRS9)
    - FINREP9_IFRS : Finrep Reporting (IFRS9)

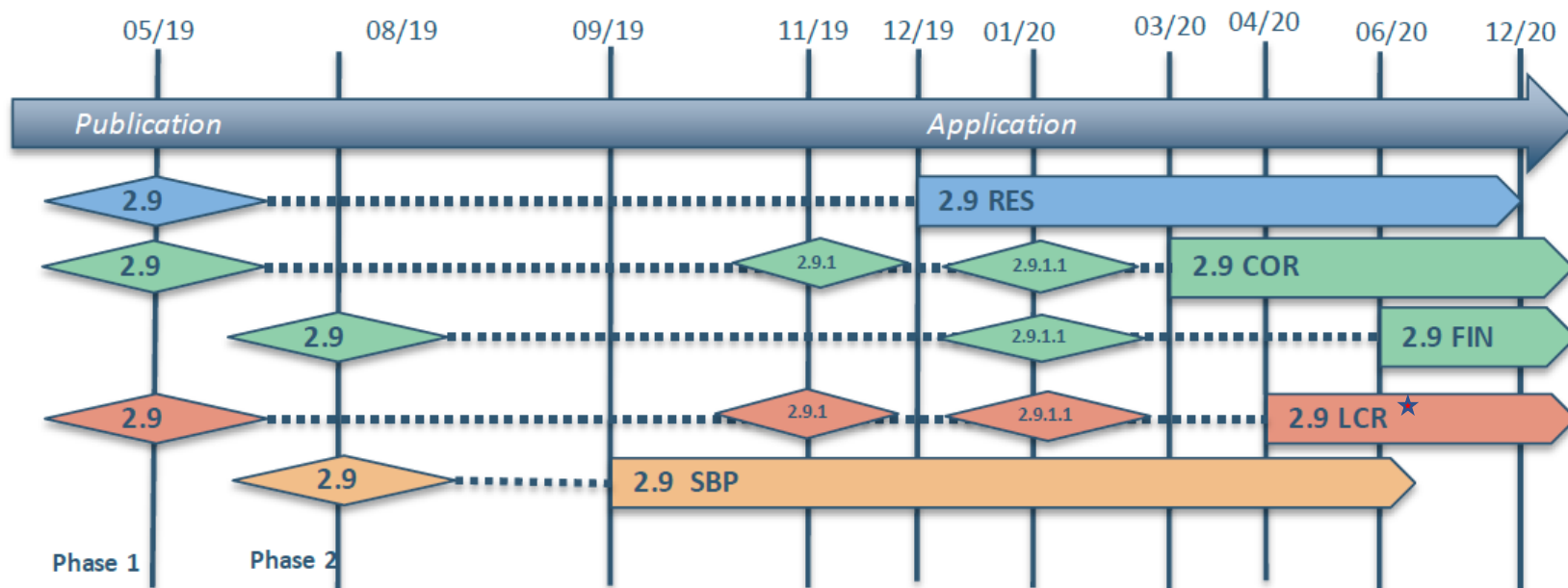 * Plus a minor correction of assertion labels in SBP (V2.9.0.2)

Taxonomies - EBA

- v2.9.1.1
  - Publication : 6th February 2020
  - Correction of some assertions
  - No datapoints impacted

Taxonomies - EBA

- v2.9
    - Quality : Increase in the frequency of taxonomy patches

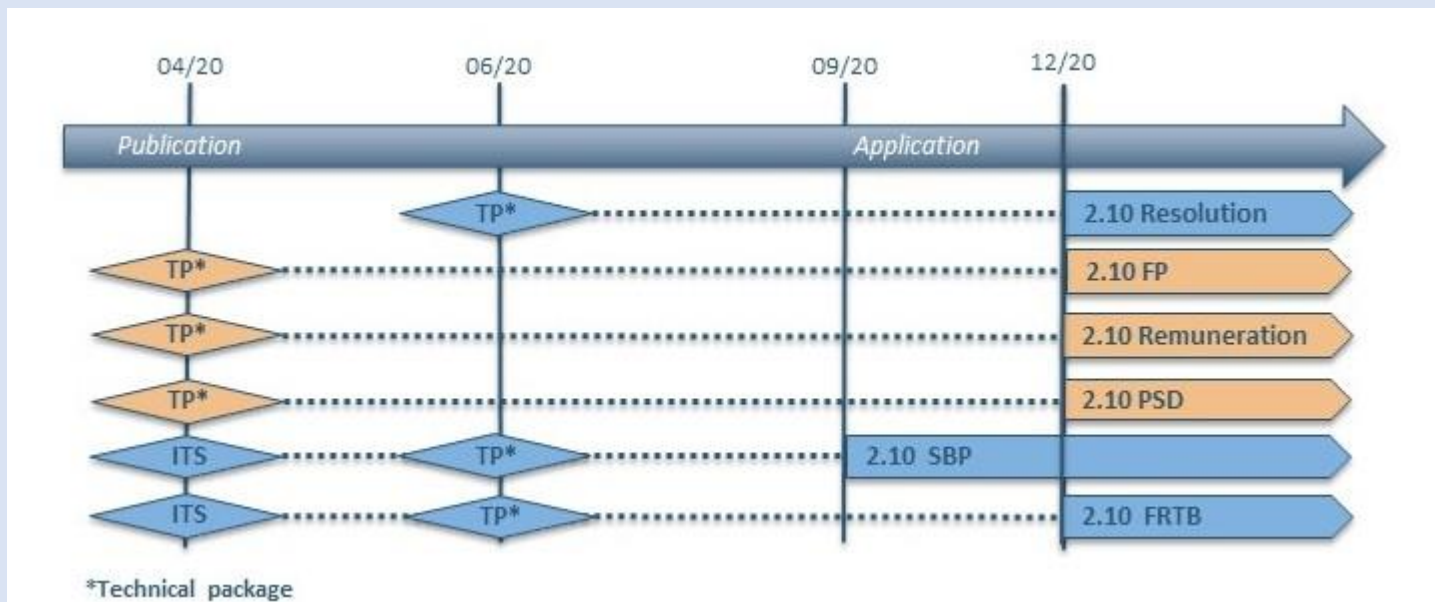★ Beware, all Liquidity entrypoints enter their 2.9 taxonomy lifecycle in April (LCR, LCR_DA, ALM and NSFR)

2.9.1 : Corrective release for Corep and LCR
Datapoints not compatible !

2.9.1.1 : « Updated VR Package »
Some controls will be added / modified

Taxonomies - EBA

- v2.10
  - Excluding Corep/Finrep frameworks

Taxonomies - EBA

- Application date

Expected notional file content date	Monthly			Quarterly				Annually							Bi-annually
	COREP			COREP OF, LE, LR,	COREP NSFR	FINREP Financial Reporting	AE Asset Encumbrance	FP Funding Plans	SBP Benchmarking			Resolution	REM	FRTB	PAY
	LCR	LCR_DA	AMM						IMV	CR	RM				
31/12/2019	2.3.2	2.3.2	2.3.2	2.3.2	2.3.2	2.2.2	1.0.5	1.0.6	1.0.6	1.0.6		1.1.0			
31/01/2020	2.3.2	2.3.2	2.3.2								1.0.6				
31/03/2020	2.3.2	2.3.2	2.3.2	2.4.1	2.3.2	2.2.2	1.0.5								
30/04/2020	2.4.1	2.4.1	2.4.1	2.4.1											
30/06/2020	2.4.1	2.4.1	2.4.1	2.4.1	2.4.1	2.3.1	1.0.5								
30/09/2020	2.4.1	2.4.1	2.4.1	2.4.1	2.4.1	2.3.1	1.0.5		1.0.7						
31/12/2020	2.4.1	2.4.1	2.4.1	2.4.1	2.4.1	2.3.1	1.0.5	2.0.0		1.0.7		1.1.1	1.0.0	1.0.0	1.0.0
31/01/2021	2.4.1	2.4.1	2.4.1	2.4.1							1.0.7				

Taxonomies - EBA

- v3.0 and more
  - Reglementary modifications
    - CRR2
    - BRRD2

  - Technical modifications
    - Facilitation modification of controls during the lifetime of the taxonomy
      - Modification of the file structure of the controls
    - Consolidation indication (>v3.0 recently confirmed)
      - Modification for liquidity subgroups (from 2.10)
      - May be extended to other consolidations in the futures
    - Be ready for larger, more granular data collection
      - Introduction of XBRL OIM/CSV ou OIM/Json on instance level ? (>v3.0)

Taxonomies - EBA

- COVID-19 recommendation

  - EBA has published some clarifications : https://eba.europa.eu/eba-provides-additional-clarity-on-measures-mitigate-impact-covid-19-eu-banking-sector

  - Switch to 2.9 taxonomy is confirmed

  - Delays on filing are permitted :
    - Liquidity and Resolution reporting must be reported in time
    - Other reportings should benefit a one month delay and some quality tolerance

Taxonomies - EBA

- Zoom on reporting consolidation to EBA
  - Whereas EBA has decided to keep individual/consolidated entrypoints for now, a way to report liquidity subgroup will be published
    - ⚠ This new way to report will only be asked when submitting directly to EBA. SRB and ECB has been informed of EBA change of rule but have not changed thiers yet. National authorities should change to EBA new rules at term too.
    - The filing rule 3.6 will be updated, applying to reports with reference date >= 01/07/2020 (01/06/0202 for EBA Resolution)

For liquidity subgroup reports
The EBA requires the use of "http://www.eba.europa.eu/eu/rs" as the scheme identifier for the entity code, i.e.
<xbrli:entity>
<xbrli:identifier scheme=" http://www.eba.europa.eu/eu/rs">LEIIDENTIFIERABCDEFG.CRD_LIQ_SUB_GRP</xbrli:identifier>
</xbrli:entity>
where LEIIDENTIFIERABCDEFG is replaced with the appropriate LEI code for the sub group parent.

Taxonomies – EBA

- Future of reporting : TFERF
  - EBA, ECB, EIOPA, XBRL International and NCAs are working together
    - Identify flaws in the current reporting format
    - Prepare for future reportings (more granular, more validations)

  - 3 sub-taskforces created
    - Taxonomy role & Taxonomy architecture
    - Instance format specification
    - Validation rules definition and performance

  - 2 phases
    - Problems and Requirements : until end of April
    - Specification : from late April to mid-July

Taxonomies – EBA

- Future of reporting : TFERF
  - Validation rules definition and performance
    - The members decided that we should stick with XBRL. The principle retained is to ask and help XBRL International to improve the actual specifications when needed
    - The working group is defining what could be changed in the first phase, based on current flaws and foreseeable developments in reporting

If you are involved in the development of XBRL solutions, could you give us information on what kind of assertions are the more time/memory consuming for you?
- Name of the problematic assertions
- Type of assertions
- Difficulty due to table modelization or XBRL mechanism

Any suggestion or assessment is welcome!

Taxonomies – EBA

- Future of reporting : TFERF
  - Shortcomings and points to improve
    - Size of XBRL files submitted by reporting institutions
      - Some reports have high granularity and a lot of data
      - XBRL-XML files have redundant text fragments
      - Hyper-dimensional format further increases metadata
    - Validation time and hardware requirements
    - Complexity of implementing validation rules
    - Coverage of use cases by validation rules
    - Complexity of debugging validation rules
    - Rendering of data
    - Readability of the model
    - Reusing of definitions across the sectors and industries
    - Approach for versioning of definitions
    - Support in the reporting workflow

Taxonomies – EBA

- Future of reporting : TFERF
    - Requirements for future taxonomies
        - Implementation cost and availability of technical resources
        - Open standard format
        - Support for cases and syntax of business validations
        - Extensibility to national/future requirements
        - Efficient processing of big instances
        - Lighter-weight instances documents
        - Rendering of data for edition and preview
        - Stand-alone management of validation rules
        - Versioning and validity periods
        - Mechanism to enable linking to legal definitions
        - Feedback from reporting entities
        - Cross-sector or cross-industry compatibility
        - Cross-sector or cross-industry comparability
        - Model readability