

xBRL | EUROPE

1-4 December 2020

**26th XBRL Europe & national
XBRL jurisdictions Digital week
on
ESEF**



ESEF: looking ahead

- Eugenio Virguti
- XBRL Italy Jurisdiction
- Secretary General

ESEF: LOOKING AHEAD

The European Single Access Point

Standardized Extensions in Italy

Data Usage & Data Quality

The European Single Access Point

The Capital Markets Union is the EU's plan to create a **truly single market** for capital across the EU

- **Capital should flow to where it can be most useful** and help meet long-term societal needs, in particular in view of the green and digital transition
- **Market participants should benefit** from competitive and transparent markets
- **Access to information** and infrastructure **should be efficient** and non-discriminatory

The European Single Access Point

- **The most recent CMU Action Plan was published in September 2020**
- From *Action #1* recitals:
 - *The Commission will propose to set up an EU-wide platform (European Single Access Point) that provides investors with seamless access to **financial and sustainability-related company information***
- The Commission will **adopt a legislative proposal in Q3 2021** to set up ESAP
- **Seamless, EU-wide access to company data** in comparable digital formats will reduce information search costs for cross-border investors and will widen the investor base for companies

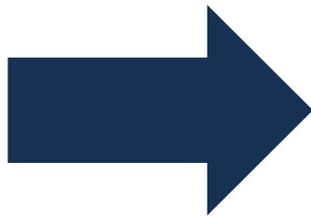
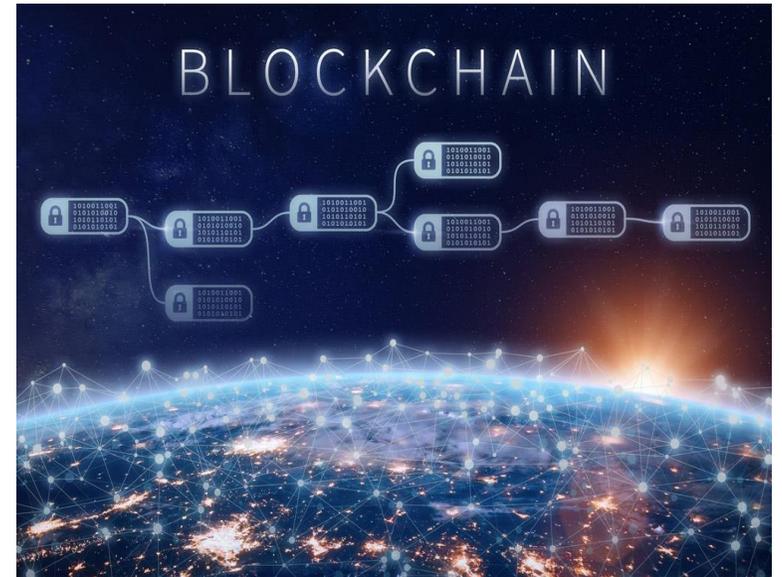
The European Single Access Point

- The platform will **build on the European financial transparency gateway (EFTG) pilot project** and **be complementary** to the **business registers interconnection system (BRIS)**, but will not alter its functions
- The **legislative proposal** will **entail streamlining EU legislation** on disclosure of company data to the public
- **The platform will**, to the greatest extent possible, **build on existing EU and national IT infrastructure** (databases, registers) in order to avoid adding to companies' reporting burden. All information will be provided in comparable digital formats.
- The details about the platform's information coverage, governance and business model **are still to be decided**

The European Single Access Point

- The **European Financial Transparency Gateway (EFTG)** pilot project undertaken by DG FISMA *meant to implement a blockchain technology* to facilitate requirements set out under Regulation 2016/1437 that supplements the TD to:

- ✓ provide a **better, faster and cheaper access** to information
- ✓ **ensure high quality, structured, comparable and trustworthy information** enabling improved data analytics
- ✓ **improve data integrity and re-usability** across capital markets
- ✓ **built-in regulatory compliance**, allowing Officially Appointed Mechanisms (OAMs) and preparers to gain efficiencies and reduce regulatory risks associated with the process of preparing, publishing and storing their reports



The first attempt did not transition from the pilot stage, so alternative approaches might be considered using what was learned along the way

The European Single Access Point

-to make a long story short.....

1. **the change in scope** to include sustainability data
2. **a new name** (ESAP vs EEAP)
3. the plan to **merely adopt a legislative proposal** in Q3 2021 to set up ESAP without a specific deadline and delivery plans...

...lead to think that the **ESAP will not be developed without significant** further effort, and it **will probably not happen** in 2021.

ESEF: LOOKING AHEAD

The European Single Access Point

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Standardized Extensions in Italy

- **XBRL Italy completed** its ESEF project on taxonomy extensions supported by ABI, ANIA, Assonime and the supervisory authorities. The project involved
 - **all the largest Italian banking groups**, representing **roughly 90%** of the total assets of listed banks, plus the State-owned Cassa Depositi e Prestiti
 - two of the three listed **Italian insurance undertakings**
 - the **12 largest listed Italian** corporations
- The project meant **to preserve comparability of tagging, specifically** amongst Italian banks and insurance undertakings, given that their **financial statements layouts are set forth by the Italian banking and insurance regulators**

Standardized Extensions in Italy

All companies were initially invited to tag their financial statements without any guidance whatsoever. Only the tagging rules set forth in the ESMA Manual were explained

	90. Trattamento di fine rapporto del personale	90. Provision for employee severance pay
	TAG	ANCHOR
BANCA A	banca:Provision for employees severance pay	Provisions for employee benefits
BANCA B	banca:ProvisionForEmployeeSeverances	ifrs-full:RecognisedLiabilitiesDefinedBenefitPlan
BANCA C	banca:Provisions for employee benefits	Provision for employees severance pay
BANCA D	banca:Employee termination indemnities	
BANCA E	banca:ProvisionForEmployeeSeverances	ifrs-full:RecognisedLiabilitiesDefinedBenefitPlan
BANCA F	banca:ProvisionForEmployeeSeverances	ifrs-full:RecognisedLiabilitiesDefinedBenefitPlan
BANCA G	ifrs-full:ProvisionForEmployeeSeverances	ifrs-full:RecognisedLiabilitiesDefinedBenefitPlan
BANCA H	banca:ProvisionForEmployeeSeverances	ifrs-full:RecognisedLiabilitiesDefinedBenefitPlan
BANCA I	banca:Staffseverancepay	ifrs-full:RecognisedLiabilitiesDefinedBenefitPlan
BANCA J	banca: Post-employment benefits	Provisions for employee benefits
BANCA K	banca:ProvisionsForEmployeeSeverances	Provisions for employee benefits



The item in the financial statements set forth by the Bank of Italy....

...was tagged in 7 different ways but meaning one and the same thing....

...and anchored in yet another 3 different ways.

Standardized Extensions in Italy

Further, **concepts included in the Italian banking and insurance financial statements** could not be found in the ESMA taxonomies. A **very high level of customization** is needed

CASH FLOWS				
No.	Bilancio Banca d'Italia	Bank of Italy Item	Extensions	Anchor
1	Gestione	1. Operations:	Operations	
2	rettifiche/riprese di valore nette su immobilizzazioni materia	net value adjustments/write-backs on property, plant and equip	AdjustmentsForImpairmentLossReversalOfImpairmentLossRecognisedInPr	Adjustments for depreciation and amortisation expense
3	accantonamenti netti a fondi rischi ed oneri ed altri costi/ric-	net provisions for risks and charges and other expenses/income	Net provisions for risks and charges and other expenses/income (+/-)	Adjustments for provisions
4	premi netti non incassati (-)	uncollected net premiums (-)	Uncollected net premiums (-)	
5	altri proventi/oneri assicurativi non incassati (-/+)	other uncollected insurance income/expenses (-/+)	Other uncollected insurance income/expenses (-/+)	
6	imposte, tasse e crediti d'imposta non liquidati (+/-)	unpaid duties, taxes and tax credits (+/-)	Unpaid duties, taxes and tax credits (+/-)	
7	rettifiche/riprese di valore nette delle attività operative cess-	impairment/write-backs after tax on discontinued operations (+)	Impairment/write-backs after tax on discontinued operations (+/-)	
8	altri aggiustamenti (+/-)	other adjustments (+/-)	Other adjustments (+/-)	Other
9	Liquidità generata/assorbita dalle attività finanziarie	2. Liquidity generated/absorbed by financial assets:	Liquidity generated/absorbed by financial assets:	[abstract]
10	attività finanziarie designate al fair value	financial assets designated at fair value	Financial assets designated at fair value	[abstract]
11	altre attività finanziarie obbligatoriamente valutate al fair val	other financial assets mandatorily at fair value	Other financial assets mandatorily at fair value	[abstract]
12	attività finanziarie valutate al fair value con impatto sulla red	financial assets at fair value through other comprehensive incom	Financial assets at fair value through other compr	[abstract]
13	attività finanziarie valutate al costo ammortizzato	financial assets at amortised cost	Financial assets at amortised cost	[abstract]
14	Liquidità generata/assorbita dalle passività finanziarie	3. Liquidity generated/absorbed by financial liabilities:	Liquidity generated/absorbed by financial liabilities	[abstract]
15	passività finanziarie valutate al costo ammortizzato	financial liabilities at amortised cost	Financial liabilities at amortised cost	[abstract]
16	passività finanziarie designate al fair value	financial liabilities designated at fair value	Financial liabilities designated at fair value	[abstract]
17	Liquidità generata da:	1. Liquidity generated by:	Liquidity generated by	
18	Liquidità assorbita da:	2. Liquidity absorbed by:	Liquidity absorbed by	
19	emissioni/acquisti di azioni proprie	issue/purchase of treasury shares	Issue/purchase of treasury shares	
20	emissioni/acquisti di strumenti di capitale	issue/purchase of equity instruments	Issue/purchase of equity instruments	
21	vendita/acquisto di controllo di terzi	sale/purchase of minority control	Sale/purchase of minority control	
22	LIQUIDITÀ NETTA GENERATA/ASSORBITA NELL'ESERCIZIO	NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	NET LIQUIDITY GENERATED/ABSORBED IN THE YEAR	
23	Cassa e disponibilità liquide all'inizio dell'esercizio	Cash and cash balances at the beginning of the year	Cash and cash balances at the beginning of the ye	
24	Liquidità totale netta generata/assorbita nell'esercizio	Net liquidity generated/absorbed in the year	Net liquidity generated/absorbed in the year	
25	Cassa e disponibilità liquide: effetto della variazione dei cambi	Cash and cash balances: foreign exchange effect	Cash and cash balances: foreign exchange effect	
26	Cassa e disponibilità liquide alla chiusura dell'esercizio	Cash and cash balances at the end of the year	Cash and cash balances at the end of the year	
	Totale estensioni		26	
	Totale voci bilancio		51	
	% di personalizzazione		51%	



One every two concepts required an extension!!

Standardized Extensions in Italy

A new set of concepts (extensions) has been implemented to ensure **uniformity of tagging amongst Italian banks and insurance companies**. The ***IT-banks:*** prefix identifies concepts specifically developed for banks

Label	Element name (with prefix)	Type	Balance	
Adjustments to reconcile profit (loss) [abstract]	ifrs-full:AdjustmentsForReconcileProfitLossAbstract	string	duration	
Adjustments for income tax expense	ifrs-full:AdjustmentsForIncomeTaxExpense	monetary	duration	debit
Unpaid duties, taxes and tax credits	IT-banks:UnpaidDutiesTaxesAndTaxCredits	monetary	duration	debit
Adjustments for finance costs	ifrs-full:AdjustmentsForFinanceCosts	monetary	duration	debit
Adjustments for decrease (increase) in inventories	ifrs-full:Adjustments		duration	debit
Adjustments for decrease (increase) in trade accounts receivable	ifrs-full:Adjustments		duration	debit
Adjustments for decrease (increase) in other operating receivables	ifrs-full:Adjustments		duration	debit
Adjustments for increase (decrease) in trade accounts payable	ifrs-full:Adjustments		duration	debit
Adjustments for increase (decrease) in other operating payables	ifrs-full:Adjustments		duration	debit
Adjustments for depreciation and amortisation expense	ifrs-full:AdjustmentsForDepreciationAndAmortisationExpense	monetary	duration	debit
Adjustments for impairment loss (reversal of impairment loss) recognised in profit or loss	ifrs-full:AdjustmentsForImpairmentLossReversalOfImpairmentLossRecognisedInProfi	monetary	duration	debit
Net losses (recoveries) on credit impairment	IT-banks:NetLossesRecoveriesOnCreditImpairment	monetary	duration	debit
Net value adjustments (write-backs) on property, plant and equipment and intangible assets	IT-banks:NetValueAdjustmentsWriteBacksOnTangibleAndIntangibleAssets	monetary	duration	debit
Net provisions for risks and charges and other expenses (income)	IT-banks:NetProvisionsForRisksAndChargesAndOtherExpensesIncome	monetary	duration	debit
Impairment (write-backs) after tax on discontinued operations	IT-banks:ImpairmentWriteBacksAfterTaxOnDiscontinuedOperations	monetary	duration	debit
Adjustments for provisions	ifrs-full:AdjustmentsForProvisions	monetary	duration	debit
Adjustments for unrealised foreign exchange losses (gains)	ifrs-full:AdjustmentsForUnrealisedForeignExchangeLossesGains	monetary	duration	debit
Adjustments for share-based payments	ifrs-full:AdjustmentsForSharebasedPayments	monetary	duration	debit
Adjustments for fair value losses (gains)	ifrs-full:AdjustmentsForFairValueGainsLosses	monetary	duration	debit
Adjustments for undistributed profits of associates	ifrs-full:AdjustmentsForUndistributedProfitsOfAssociates	monetary	duration	credit
Other adjustments for non-cash items	ifrs-full:OtherAdjustmentsForNoncashItems	monetary	duration	debit
Adjustments for losses (gains) on disposal of non-current assets	ifrs-full:AdjustmentsForLossesGainsOnDisposalOfNoncurrentAssets	monetary	duration	debit

The blue line identifies the extension, while the orange line identifies the anchoring concept

Standardized Extensions in Italy



**FOOD FOR
THOUGHT**

Are financial statements' layouts mandatory in other European countries?

Is comparability threatened?

Should (could) the Italian experience be replicated elsewhere in Europe?

ESEF: LOOKING AHEAD

The European Single Access Point

Standardized Extensions in Italy

Data Usage & Data Quality

Data Usage and Data Quality

- A study conducted by **IRIS Business Services** Limited in 2020 on a **sample of 671 companies** across Europe found that:
 - an **average 10%** of the companies (67 entities) **reported errors** in their annual financial reports. In some countries, the percentage has been **as high as 40%**
 - errors reported included **wrong signs, incorrect subtotals and totals, mistaken reporting periods, inconsistencies**
 - **52% of the errors were found in the Cash Flow statements**, while the remaining 48% was spread evenly over the other financial statements
 - errors were more common in **large companies with complex financial statements** (especially banks and insurance companies)

Data Usage and Data Quality

One of the very many examples....

Property rental revenue	17	10,624	12,411
Other revenue		-	408
Revenue		10,624	12,819
Property related expense	18	(56)	(69)
Employee related expense	18	(757)	(888)
Other operating expense	18	(532)	(537)
Depreciation and amortization	9, 18	(179)	(190)
Operating expense		(1,524)	(1,684)
Valuation gains from investment property	10	17,771	4,858
Other income (expense)	19	437	552
OPERATING PROFIT		27,308	16,545
Interest income	20	(802)	(972)
Interest expense	20	-	(258)
Other financial result	21	(100)	(187)
Financial expense		(902)	(1,417)
PROFIT BEFORE TAX		(26,406)	(15,128)

In this example, a large operating **profit** becomes a **large loss** because of a wrong sign!

Data Usage and Data Quality

- **XBRL Software firms** are already **embedding checks** in their solutions in order to prevent errors
- **FINREP, COREP, SOLVENCY II** frameworks set by the banking and insurance regulators include a large number of **validation rules** to ensure data quality
- Should it be **left upon software houses and issuers** to worry about data quality?
- ...or should **Data Quality issues also be governed at the European Union** supervisory authority levels?

Data Usage and Data Quality



Homepage

List of Registers

- Alternative investment fund managers
- Social entrepreneurship funds
- Venture capital funds
- MIFID investment firms
- Prospectus
- Sanctions
- Suspensions and Removals
- UCITS management companies
- EEAP**

ESMA Registers portal provides web visitors with information concerning the European regulatory framework for investment firms and credit institutions.

The portal provides currently information for registers falling under Directives 2010/78/EU (OMNIBUS) and 2011/61/EU (AIFMD), EU Regulation 345/2013 (EuVECA) and EU Regulation 346/2013 (EuSEF).
Please select one of our registers in the column at the left to access the specific data.

The portal offers machine-to-machine services to large scale organisations, exposing a set of web services for retrieval of data maintained in ESMA Registers repositories.

Keyword search:

bbva

- Alternative investment fund managers (0)
- Social entrepreneurship funds (0)
- Venture capital funds (0)
- MIFID investment firms (3)
- Prospectus (10)
- Sanctions (0)
- Suspensions and Removals (0)
- UCITS management companies (4)
- EEAP (10)**

Data Usage and Data Quality

- The rationale behind the EEAP architecture implies that it should **only serve as an access point** that eventually redirects investors to the relevant OAM

Items : 1-10 / 33 Results per page: 10

Issuer name	Issuer's Home MS	LEI	Type of regulated information	URL
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ71	Annual financial reports	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ72	Half yearly financial reports	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ73	Payments to governments;	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ74	Home Member State;	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ75	Price sensitive information;	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ76	Major shareholdings notifications;	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ77	Trading on own shares;	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ78	Total number of voting rights and capital;	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ79	Changes in the rights attaching to the classes of shares or securities	http://cnmv.es/Portal/Consultas/IFA...
BANCO BILBAO VIZCAYA ARGENTARIA, S.A.	ES	K8MS7FD7N5Z2WQ51AZ80	Regulated information adopted by Member State.	http://cnmv.es/Portal/Consultas/IFA...

PORTUGAL Comissão do Mercado de Valores Mobiliários 11/08/2001

Why not think big!?!

Data Usage and Data Quality



Let's have a
dream!

Data Usage and Data Quality



European Securities and
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Data Usage and Data Quality



SIGN IN

Homepage > Benchmarks administrators

Basic information - Register

Selected Register:
Benchmarks administrators

EEAP

Keyword search:

Full name

Legal entity identifier

Country

Supervising authority

Relevant authority

EU/EEA status

KEY INDICATOR

Display data

Show table columns

Link to : Administrators / Benchmarks Reference Files

Register

The list of pending applications of authorisation or registration of an administrator according to Article 34 of the Benchmarks Regulation.

This Register provides a list of all administrators located in the Union which have been authorised or registered pursuant to the conditions laid down in Article 30(1) of the same Regulation, administrators located outside the Union that acquire the status of authorised or registered administrator in accordance with the procedure laid down in Article 33 of the same Regulation and supervised entities established in the Union which are authorised or registered pursuant to the procedure laid down in Article 33 of the same Regulation and supervised entities established and maintain a public Register that contains the consolidated list that is provided in this Register.

The present Register has been set up by ESMA on the basis of information provided by Member States in accordance with Article 30(1) of the same Regulation, administrators located outside the Union that acquire the status of authorised or registered administrator in accordance with the procedure laid down in Article 33 of the same Regulation and supervised entities established in the Union which are authorised or registered pursuant to the procedure laid down in Article 33 of the same Regulation and supervised entities established and maintain a public Register that contains the consolidated list that is provided in this Register.

According to Article 29(1) of the Benchmarks Regulation a supervised entity may use a benchmark or a combination of benchmarks to determine the performance of its investment strategy.

Important note: The queries regarding the Administrators/Third country benchmarks downloaded through machine-to-machine will be deleted and the new unique identifier of the Administrator will be en_esmaId and the unique identifier of the Benchmark will be bm_esmaId.

KEY INDICATOR
- Select -

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Data Usage and Data Quality



SIGN IN

- Select -

TOTAL ASSETS

EQUITY

PROFIT (LOSS)

EBITDA

CO2 EMISSIONS

RENEWABLE MATERIAL USAGE

- Select -

KEY INDICATOR

- Select -

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If an administrator according to Article 34 of the Benchmarks Regulation is available here: ESMA Public Statement BMR pending applications.

Union which have been authorised or registered pursuant to Article 34 of the Benchmarks Regulation (Regulation (EU) 2016/1011 of 8 June 2016), administrators located outside the Union that comply with Article 32 of the same Regulation, administrators located outside the Union which provide benchmarks that comply with Article 33 of the same Regulation and supervised entities endorsing benchmarks in accordance with Article 33 of the same Regulation. According to Article 36 of the Benchmarks Regulation, ESMA has to publish a list that is provided in this Register.

Information provided by Member States in accordance with the procedure laid down in Article 34(7), Article 32(7) and Article 33(3) of the Benchmarks Regulation. Therefore, the national competent authority of the Member State in accordance with Article 34, Article 32 and Article 33 of the Benchmarks Regulation. Queries regarding the content should be addressed directly to the relevant competent authority of the administrator.

A supervised entity may use a benchmark or a combination of benchmarks in the Union if the benchmark is provided by an administrator located in the Union and included in this Register.

Country benchmarks downloaded through machine-to-machine site will be updated on 02/12/2020.
Administrator will be en_esmaId
Benchmark will be bm_esmaId

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Data Usage and Data Quality



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Basic information - Register

Selected Register:

TOTAL ASSETS

Refine search

EQUITY

PROFIT (LOSS)

EBITDA

CO2 EMISSIONS

RENEWABLE MATERIALU

KEY INDICATOR

Search Clear

Display data

Show table columns

Issuer	Issuer's MS	LEI	Industry	CO2 Emissions (metric tons CO ₂ e)	Type of Regulated Information	URL
Alfa corp SA	NL	AKDDKEN1233FKD	Consumer Staples	25,605	ESG Report	
Beta AG	DE	AKDDKEN1233FKD	Services	23,409	ESG Report	
Gamma Spa	IT	AKDDKEN1233FKD	Financial Services	21.540	ESG Report	

Last update: 29/11/2020, 01:04:44

CONCLUSIONS

- **The Capital Market Union plan intends to create a truly single market throughout Europe where access to financial and sustainability-related company information should be efficient and non-discriminatory**
- **The ESAP should provide a seamless access to corporate information across Europe, but all we can expect in Q3 2021 is a legislative proposal**
- **Ideally, it could allow investors to analyse and compare companies by industries, KPI's, KRI's**
- **This, however, requires improvements in data quality and usage**
- **The first couple of years could be considered a running-in phase**

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THANKS FOR YOUR ATTENTION!

