



Conclusion words given to the IReF Cost Benefit Analysis, April 2021

Concerns: Cost-benefit assessment questionnaire on the Integrated Reporting Framework for the banking industry

As a pan-European association promoting the XBRL reporting standard, XBRL Europe is aligned with the IReF vision and strategy in terms of data management. We fully agree with the goals and principles of the IReF initiative, as standardisation and harmonisation of reporting standards can improve efficiency and reduce costs. This is the basis of our approach to answering the questionnaire. We also believe that the choice of standards and technologies that will be considered to implement the IReF data collection are important to enabling the benefits to be accrued, and that these should be built upon existing XBRL experiences of the EBA with the CRD4 framework, EIOPA with Solvency 2 and Pension Funds, SRB and ESMA.

**Benefits are higher when common standards are used.**

We support your target to develop a single underlying dictionary that defines concepts once and unambiguously, such as the one that has been initiated with BIRD. This dictionary would be even more efficient if it is described in a flexible and interoperable language. XBRL taxonomies, with Formula standard coupled with a consistency and scalability data architecture, have shown to be an efficient basis for building multilingual dictionaries with validation and easy links with the data model as well as the reporting templates. XBRL Taxonomies are extensible and so that the dictionary can evolve over time. It also provides a strong platform for the publication of reporting requirements to submitters and to transmit the data itself in XBRL reports, especially given the near term availability of xBRL-JSON and xBRL-CSV as part of the XBRL International Open Information Model (OIM) initiative.

**Costs are lower when existing standards are used.**

Reuse means capitalizing on developments already done by banks and central banks for prudential and supervisory reporting, which are in the BIRD perimeter. XBRL technology benefits from global support in the financial industry, and recent developments considered by financial regulators in Europe and worldwide allow a better efficiency for granular data. In terms of governance and data quality, XBRL allows a simple mapping of data which doesn't oblige the regulated entities to change their existing information system as the requirements change over time.

**Supporting the IReF initiative**

We would also conclude our answer to the questionnaire by stating the XBRL Community in Europe is ready to help. Our Bank & Insurance Working group, with members from banks, data preparers, software editors, software providers and regulators, is committed to bringing expertise, preparing proofs of concept, developing tests and solution to facilitate the IReF initiative.

*This text has been prepared by XBRL Europe within the Bank & Insurance Working Group.*

*XBRL is the open international standard for digital business reporting.*

*XBRL Europe is a non-profit organisation affiliated to XBRL International, has been set up to foster European XBRL efforts, to implement common XBRL projects in Europe and to liaise with European Authorities and organisations.*