

**28th XBRL EUROPE
DIGITAL WEEK**

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EBA Discussion Paper on Integrated Reporting

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Key elements of EBA DP context

- EBA published on 11th march 2021 a **Discussion Paper** on the **feasibility study of an Integrated Reporting system** to collect feedback for the **preparation of ITS Final Report** on this topic.
- Main objectives of an IR System :
 - a. **Harmonisation and rationalisation of the reporting process:**
 - For Reporting firms (banking sector) and European and National Authorities and Central Bank,
 - For Statistical, Prudential and Resolution frameworks,
 - With a key principle « **Define Once, Report Once** » → A single reporting system across Supervisory, Resolution Authorities and Central Banks
 - b. **Reduce reportings costs**
 - c. **Increase efficiency** thanks to **Common definitions** and **Common requirements** (coordination among authorities, streamlining processes,...)
- Linked to other recent initiatives : BIRD & IReF project (ECB)
XBRL Europe had previously answered to the ECB IReF CBA (Cost Benefit Assesment)
- The **XBRL Europe Bank & Insurance WG published its answer on the 8th june 2021** on the EBA platform (also available on the [XBRL EU website](#))

Legal Basis

EBA was mandated from the European Commission C through art. 430c of the CRR (Capital Requirements Regulation) to develop a Report on the feasibility regarding the development of a consistent and integrated system for collecting statistical, resolution and prudential data for Q3 2021

→ DP answers' will serve as a basis for the EBA final feasibility study

DP=Discussion Paper

XBRL Europe B&I Working Group answer

- Three main parts in the XBRL Europe B&I WG answers on the DP :
 1. **A single Data Dictionary** (Characteristics, Data definition, Level of Data Granularity, ...) → « *DEFINE ONCE* »
 2. **A unique Reporting System with a unified Process** for the prudential, resolution and statistical frameworks (data collection characteristics, central data collection point, data validation, data transformation, data exploration) → « *REPORT ONCE* »
 3. **A global Governance** across supervisory, resolution and central bank (ECB) → **Pre-requisite point** about the feasibility of an IR
 - Key points :
 - **Data items should be described only once** and then re-used across all reporting frameworks and all data platforms
 - **Optimisation of value and costs reduction** if « *Integrated* » means « *no more additional or specific data, outside the IR framework* » → reduce the number of ad-hoc requests
 - The entire scope should include :
 - Statistical, Prudential, Resolution Data and also Accounting, AML and Compliance Data,
 - At an Aggregated and Granular Level
 - At either European and National Level
 - **An evolutionary approach** to implement/to move to a standardised and unified reporting framework with a unique data dictionary for :
 - Banks : A single data dictionary would require a significant change and a data-driven organisation and governance
 - Authorities : Broke the current technical silos related to each reporting frameworks and create one common framework → XBRL Europe is closely following the development of BIRD initiative and providing input where requested
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Key points of our answer

DATA DEFINITION is the main step to bring significant benefits:

- **Harmonisation of definition of Granular Data, Aggregated Data and business concepts** (including relationship between them and interconnections of reporting requirements)
- **Common meaning** of data uniquely named (unique and common Data Dictionary)

⇒ **A need for all industry** involved in the data collection process

⇒ Existing technical XBRL taxonomies for EBA reporting should be reviewed and unified in a **global semantic XBRL taxonomy**

DATA COLLECTION define **Reporting rules** for both **agregated and granular data**:

- To indicate the Content, Format and Collection frequency;
 - Visible to the authorities and reporting firms
- 🌟 Reporting Rules should be scalable and done in a due time before the entry into application of a new regulation
- ⇒ **A single data exchange format** for all regulatory reports (simplify the reporting submission)
 - ⇒ **Granular Data allows to reduce ad-hoc requests** and to **define simple, factual data** prior to any interpretative transformation or calculation
 - ⇒ XBRL is widely used for prudential and resolution frameworks. **In the near future, xBRL-CSV may be used.**

DATA TRANSFORMATION & DATA EXPLORATION are **not really steps** in the process, **but functions**

Sharing data transformation rules will be greatly beneficial but it **raises some questions** :

- The Responsibility if the Institutions remain responsible of all data collected (granular and aggregated) and all data transformed
- Possible double cost of human resources (institutions resources and authorities resources)
- The level of detail of calculation, the cross period transformation and the time to market of such additional information

⇒ **Data transformation and Data exploration processes will be remain fully developed on each side** (authorities and reporting firms) to respond their specific needs.

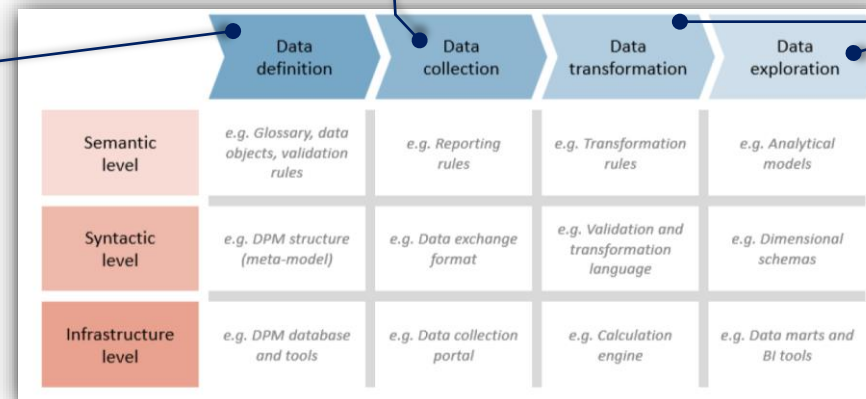


Figure 8 - Process chain and the three levels of abstraction

Technical conclusion of our answer



➔XBRL is widely used for prudential and resolution frameworks. **In the near future, xBRL-CSV may be used.**

Next
Topic

The Working Group is working on the use of xBRL-CSV to include (high volumes of) granular data in the XBRL reports. This will be the focus of the next presentation !

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