



# XBRL Europe—

Thursday 18 February 2010

XBRL up date in Europe

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Transforming Business Reporting



# IN WHICH XBRL SECTORS IS USED IN EUROPE?

- In all sectors where regulatory reporting aspect is important
  - Banking Sector
  - Business Register Sector (registrars)
  - Revenue & Tax Filing
  - National Statistics
  - Securities Regulator
  - Other Initiatives (Stock exchanges, Banking Water management Board, Municipality reporting, etc.)
- Internally in companies to streamline the reporting process
- In some other sectors where exchange of information can make important savings
  - Banking industry e.g. in receiving accounts in XBRL from clients
  - In financial analysis industry
  - In the exchange of Financial information across countries

Country	XBRL Jurisdiction		Banking sector				Business Register Sector (registrars)				Revenue&Tax Filing				National Statistics				Securities Regulator				Other Initiatives (Stock exchanges, Private)			
	Jur Cat	XBRL Europe Member	COREP/IFINREP in XBRL	Filing	Project	Comments	Filing in XBRL	Filing	Project	Comments	Filing in XBRL	Filing	Project	Comments	Filing in XBRL	Filing	Project	Comments	Filing in XBRL	Filing	Project	Comments				
Belgium	E	✓	✓	M	E		✓	M	E	Local GAAP (300.000 accounts/year)	✓	M	I	Corporate tax	✓	M	E	Business structure survey (+/-30 00/year)								
Denmark	E	✓					✓	V	E	Local GAAP			I	Initiative with annual accounts filing	✓	V	E									
France	E	✓	✓	M	E	plus SURFi Project	✓	V	I	Local GAAP											✓	Taxonomy for executives compensation				
Germany	E	✓	✓	M	E		✓	V	E	Local GAAP&IFRS ; V but XBRL preferred (400,000/year) ; Efiling is mandatory	✓	M	I	Under discussion	✓	M	I	Deutch Bundesbank German Central Bank								
Greece	No		✓	V	I																					
Ireland	E	✓	✓	V	I				I	Plans for future adoption (timeline 2009-2011)				Plans for future adoption (date not defined)			I					I	Govt Dept Enterprise sponsored joint filing program			
Italy	E	✓					✓	M	I	Local GAAP (1.200.000 accounts/year)					✓	M	E	* Initial projects. Istat member of XBRL It * Direct Collection in comanies of data for statistics on foreign transactions	✓			I	Initial project on invoicing in private sector			
Lithuania	No		✓	V	I	To be checked																				
Luxembourg	E	✓	✓	M	E		✓	V	I	Project : Annual accounts electronic data collection" STATEC					✓	V	I	Project : Annual accounts electronic data collection" STATEC				✓	I	Stock Exchange project		
Netherlands	E	✓	✓	V	E	SBR progr. Credit info filings from bus. to banks; DutchNationalBank supports vol. FINREP/COREP filings.	✓	V	I	Through SBR programme	✓	V	E	Through SBR programme	✓	V	E	Through SBR programme				✓	V	E	EMU reporting by Water Boards to National statistics	
Poland	P		✓	M	E	FINREP/COREP filings	✓	M	I	electronic financial reporting from companies; Local GAAP and IFRS					✓	M	I	In November 2009 Polish FSA noticed a preelimanary tender- XBRL for gethering & exchanging financial information	✓			V	I	1) Warsaw Stock Exchange 2) Polish Insurance Chamber		
Spain	E	✓	✓	M	E		✓	M	E	Local GAAP ; 600.000 XBRL reports					✓	M	E	Since 2005	✓	V	V	V	Central Balance Sheet Office Municipalities Corporate Social Responsibility			
Sweden	E						✓	V	E	Local GAAP																
Switzerland	P																									
UK	E						✓	V	E	Local GAAP and IFRS	✓	M	E	Local GAAP, IFRS and Tax												
CEBS						Recommandation on XBRL																				
CESR																								Call for Evidence on XBRL		
EUROSTAT																								Some XBRL promoting		

Legend : XBRL Jurisdiction E: Established  
P: Provisionnal

Project E: Established - I: In progress  
Filing M: Mandatory V: Voluntary

**XBRL Projects in Europe**  
by sector – February 2010



# XBRL Projects in Europe

- 48 XBRL country level Projects in 15 European Countries (14 in the EU) at various status (established or in progress)
  - Banking Sector (Corep & Finrep and others): 11 projects, 6 established, 5 in progress and 6 are for mandatory filings.
  - Business register sector: 11 projects, 5 established, 8 in progress and 4 are for mandatory filings. Mainly in local GAAPs and 2 for GAAP and IFRS – Between **4 and 5 millions** of Financial Statements in XBRL will soon be circulating in Europe
  - Tax Returns: 5 projects, 3 mandatory and all in progress
  - Statistics: 6 projects
  - Security regulator: 1 established project for Mandatory filing in Spain (following IFRS), 2 in progress
  - Other sectors: 9 projects

# XBRL projects in Europe

- Without being aware, Europe is a real XBRL continent and huge amount of XBRL information is or will be circulating in Europe.
- But NO particular project exists for trans-national information, except for COREP/FINREP and with the IFRS taxonomy (just for listed companies). Such Projects will reduce the over costs of crossing boundaries (recalculations, translations, etc) and are often called by Users and Preparers but not so much by the countries and even less by the European Authorities.
- XBRL Europe decided to launch technical XBRL Working groups to seed these transnational issues and thus projects:
  - EU Business register WG (Chair Thomas Verdin)
  - IFRS extensions for SLC WG (Chair Bodo Kesselmeier)
  - COREP-FINREP Harmonisation WG (Chair Derek de Brandt)
  - XBRL usability Forum WG (Not active Chair to be determined)

# European Institutions & XBRL

- European Parliament
- European Council & Council of the EU
- European Commission
- Lamfalussy 3 bodies
  - CEBS
  - CESR
  - CEIOPS
- Eurostat
- European Central Bank

# European Institutions & XBRL

## ➤ European Parliament

1. Efforts on XBRL coordinated through the ECON (Committee on Economic and Monetary Affairs) in which former MEP Ieke Van den Burg and some others were very active towards XBRL
2. New ECON is now chaired by Mrs Sharon Bowles. Mrs Bowles was former MEP member of ECON
3. Resolutions from European Parliament to the European Commission are oddly never mandatory but are of more and more influence. Only the Council has enforcement power on the Commission

# European Institutions & XBRL

## ➤ European Parliament - Start

1. European Parliament and Council launched Transparency directive 2004/109/EC in 2004  
“Access for investors to information (...) should be more organised at a Community level”

2. Then with 2004/39/EC MiFID Directive about harmonised regulation for investment services in EU.

# European Institutions & XBRL

## ➤ European Parliament

1. 2008/12/18 - Resolution on accounting requirements as regards small and medium-sized companies, particularly micro-entities  
RSP/2008/2687 – 494 votes in favour to 23 against  
*(...) Commission is asked to continue its efforts to review the 4th and 7th Directives and to present a uniform European accountancy framework before the end of 2009. A uniform standard will reduce the administrative burden for all small and medium-sized companies and will increase transparency for all relevant stakeholders.*

***Simplification should also be greatly stimulated by a structured European introduction of XBRL (Extensible Business Reporting Language).***

# European Institutions & XBRL

## ➤ European Parliament

1. Lamfalussy follow up - (INI/2008/2148) - 565 votes to 74 - resolution with recommendations to the Commission : Future structure of supervision.
2. ANNEX TO THE MOTION FOR A RESOLUTION: DETAILED RECOMMENDATIONS

*the Lamfalussy Level 3 Committees should:*

- (i) *develop procedures for data provision in cross-border situations;*
- (ii) *issue recommendations on specific (macro) supervisory practice issues;*
- (iii) *issue guidelines to ensure coherence and streamline the supervisory practices of the colleges;*
- (iv) *develop procedures to mediate conflicts that may arise between members of a college;*
- (v) *design common reporting standards and data provision requirements for groups, **preferably in a multi purpose format such as Extensible Business Reporting Language (XBRL);***

1. Lamfalussy Level 3 Committees are CEBS, CESR and CEIOPS

# European Institutions & XBRL

- European Council & European Council of Finance Ministers (EcoFin - Economic and Financial Affairs Council)
  - The Council is the main decision-maker body of the European Union.
  - The Ministers reached agreement in early December 09 on proposals to create European regulatory authorities and called to start negotiating with the Parliament a "first reading" adoption of the text to allow the new framework for early intervention and resolution to be "put into place during the course of 2010". The work should explore mechanisms to disincentivise ring fencing, including exchange of information.

# European Institutions & XBRL

## ➤ European Council & European Council of Finance Ministers (EcoFin) **The Ministers also stressed that:**

- 1. It is important to develop "common and interoperable tools" to handle a financial crisis.*
- 2. Key objectives and priorities comprise solutions at EU level for the reorganisation and resolution of cross border banks in a timely and robust manner, assisted by the development of cooperation of national resolution authorities.*
- 3. A holistic and pragmatic approach preserving financial integration needs to be pursued, defining clear tasks and accountability of all actors.*
- 4. The European Commission is invited to revise, and develop, resolution tools of group entities located in different jurisdictions. In a medium-to-long term perspective, a common set of tools for all national authorities should be considered.*
- 5. Banks must clean up their balance sheets.*
- 6. CEBS (current Committee of European Banking Supervisors) is to report each 6 months on the quality of assets and adequacy of capital.*
- 7. The Council invited the Commission, and the EFC (European Union Economic and Financial Committee - Ministries of Finance, Central Banks, Commission and European Central Bank) to report back by spring 2010, proposing concrete proposals.*

# European Institutions & XBRL

- European Commission Directorate generals involved in XBRL development are:
  - DG Internal Market and Services for XBRL related content reasons (Commissioner Mc Greevy replaced by Commissioner Barnier) – Officials involved Pierre Delsaux and Piotr Madziar very active with us and very supportive.
  - DG Enterprise and Industry for XBRL related standard reasons (Commissioner Verheugen replaced by Commissioner Tajani)
  - DG InfoMedia for XBRL related IT reasons (Commissioner Reding replaced by Commissioner Kroes)
  - DG Region recent interest in XBRL for internal reasons
  - The last DG were not very active with XBRL Europe and are not so known to us

# European Institutions & XBRL

➤ European Commission launched in 2009

Consultations papers:

1. Reforms of the 4th and 7th directives following the burden reduction programme launched by DG ENTR and related to “national financial statements” simplification and Interoperability; XBRL is mentioned as such as a standard to be possibly used in Europe.
2. about the de Larosière report concerning the reorganisation of the Financial supervision
3. About the Interoperability of the Business Registers

# European Institutions & XBRL

- XBRL Europe made answers to the 3 consultations and coordinated efforts from the national jurisdictions in promoting XBRL as a tool for simplification, interoperability and Burden reduction.
- EC published the results of the 1st consultation (4th&7th directives). XBRL is largely positively mentioned into the answers.
  - "The majority of respondents with an explicit opinion supported a common EU XBRL taxonomy. Strongest support came from preparers followed by public authorities"

# European Institutions & XBRL

- EC proposed in October 2009 to reorganise the Financial supervision:
  - European Systemic Risk Board (ESRB) as 'macro-prudential supervision', and European System of Financial Supervisors (ESFS) for the supervision of financial institutions ('micro-prudential supervision'), → a network of national financial supervisors & the new European Supervisory Authorities, (transformation of CESR, CEBS & CEIOPS Committees), European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), the European Securities and Markets Authority (ESMA).
  - "Common Technical standards" are called upon in the founding documents. XBRL has a role to play to set up these standards with EBA, ESMA and EIOPA even if XBRL is no more mentioned by the Commission

# European Institutions & XBRL

- As a conclusion for the 3 Authorities and until now:
  - European Commission seemed embarrassed with questions about XBRL from the attendance at the meeting of the 12th of June 2009 after the consultation on reform on 4th and 7th directives
  - European Commission followed European Parliament resolutions but NOT entirely on XBRL
  - European Parliament was more a decision maker towards XBRL than the Commission.

# European Institutions & XBRL

- As a conclusion for the 3 Authorities and until now:
  - European Commission seems to be prudent because most likely of some influences and countries while people and constituents represented in European Parliament seem to want a more structured and common approach and common standards.
  - The new Commissioner Mr Barnier DG Markt invited at our next XII conference in Rome has not answered; it could show that things will not change radically
  - XBRL Europe efforts must and will be more dedicated to the Parliament and the new ECON committee. Actions towards the Commission will nevertheless continue and actions at the national levels must be strengthen

# European Institutions & XBRL

- CEBS - Since 2005 CEBS supported actively the XBRL format in relation to Basel II COREP and FINREP reporting
- CEBS published in 2009 a workplan & priority activities (including developments of COREP & FINREP taxonomies) to reach with CEIOPS harmonised supervisory reporting by 2012.
- CEBS is historically the main supporter of XBRL in Europe

# European Institutions & XBRL

- For the moment CEIOPS is the less involved body in XBRL while they are setting up the solvency II regulation for 2012.
- Even an ad-hoc CEIOPS technical committee would have recently recommended to start with an XML format for intermediary reporting to be set up for 2011.

# European Institutions & XBRL

- CESR has launched a "CALL for EVIDENCE" about XBRL, which starts as follows:
  - *The Commission Recommendation 2007/65/EC on the electronic network of officially appointed mechanisms for the central storage of regulated information referred to in the Transparency Directive (2004/109/EC, TD) requests CESR to report to the European Commission on the possible future development of the network of officially appointed mechanisms for the central storage of regulated information (OAMs) by 30 September 2010.*
  - *In the 34th CESR Plenary the Chairs asked CESR's Transparency Group to explore issues related to the use of a standard reporting format for financial reports of issuers having securities admitted to trading on a regulated market. The use of XBRL (eXtensible Business Reporting Language) for this purpose was also discussed. The Transparency Group concluded that a call for evidence should first be launched in order to gather the necessary information from market participants and interested parties.*
- The rest of the document is strongly documented as regards to XBRL

# European Institutions & XBRL

- XBRL Europe made a documented response to this call for evidence underlining that “XBRL covers already 60% of the global market capitalization”
- The CESR was not very active in XBRL until this call for evidence
- Even if Mr Wymeersch CESR Chair made a strong call towards XBRL at our Eindhoven conference and was criticising the lack of commitment from the European Commission,
- While in the meantime, the US SEC has mandated in the US use of XBRL to report listed companies financial statements
- But as a matter of fact it could change as Mr Carlo Comporti Secretary General of CESR has accepted to be a Keynote speaker at our next Rome XII conference

# European Institutions & XBRL

- As for Eurostat, we can mention an old interest started in 2005 with the XBRL Pilot Project and which ended in 2007.
- The general aim of the XBRL Pilot Project Member States was to test the feasibility of exploiting for statistical purposes the use of XBRL in company reporting (for example, the company accounts which are delivered to national regulators and central banks), in order to lower the reporting burden to enterprises.
- The project concluded that It was feasible to create a European XBRL taxonomy, as such a taxonomy was developed within the Pilot Project.

# European Institutions & XBRL

- Eurostat was to formulate Proposal for a Decision of the European Parliament and of the Council about further work with XBRL, probably within the MEETS programme Modernisation of European Enterprise and Trade Statistics (MEETS), where XBRL is mentioned as one of the possible instruments
- As for the European Central Bank, their recent interest is linked to the work initiated by Eurostat.

# European Institutions & XBRL

- As a general conclusion, XBRL Europe lobbying efforts must be concentrated towards in this order
  1. European Parliament
  2. CEBS, CESR and CEIOPS
  3. Eurostat and ECB
  4. European Council and in the Countries
  5. And obviously with the European Commission

# 20<sup>th</sup> XBRL International Conference

➤ And do not forget



➤ The Next 20<sup>th</sup> XBRL International Conference from 19th – 23rd of April 2010 in ROME

➤ Co-organised by XBRL Italy with the support of XBRL Europe

➤ Registration at [www.xbrl.org](http://www.xbrl.org)

# Thank You

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