

Brussels, the 8<sup>th</sup> of April

**XBRL Europe POSITION ON THE HIGH-LEVEL GROUP ON FINANCIAL SUPERVISION IN THE EU "DE LAROSIERE" REPORT AND RELATED EC CONSULTATION**

- XBRL Europe fully supports the de Larosière report and its recommendations and comments and its specific recommendation 18 as interalia
  - "A European System of Financial Supervisors (ESFS) should be setup. (...) for which the stage 1 will be "Preparing for the transformation of the level 3 committees into European Authorities".
  - The ESFS "should rely on a common set of core harmonised rules and have access to high-quality information".
- XBRL Europe endorses the position of FEE regarding the setting up of "harmonised rules" and specifically the "fundamental review of the Basel 2 rules" and the extended use of the IFRS (comment N°25)
- XBRL Europe supports the idea that "harmonised rules" as a first step are interesting, but difficult to handle and specifically for the transfer and the interpretation of information and prefers the use of "common rules" like the IFRS
- XBRL Europe proposes for the "access to the high quality of information" to extensively use a unique open source exchange standard **XBRL** (Extensible Business Reporting Language) based on XML, which is already extensively used for tagging and exchanging financial information by a large number of regulators in Europe (and worldwide like in the US, Japan or China) like Bank of Spain, Bank of France, Bank of Belgium with recommendations from CEBS, or by tax authorities like in the UK or the NL or by Business registers in the majority of EU countries.
- XBRL Europe underlines that the extensive use of XBRL by all financial stakeholders would dramatically reinforce the quick access to the information and thus to transparency which is called upon in the de Larosière report. For instance the absolute need to link underlying asset values with the financial instruments that are traded in the open market is achievable through a solution based on XBRL. Obviously the strength of using XBRL is reinforced if all the stakeholders use the same "common rules" as mentioned above.
- XBRL is a mainstream technology that can bring quality, consistency, and interoperability in Business Reporting to what is now a patchwork of proprietary data formats. Transparency in financial reporting, therefore, is no longer a question of capability. The advancement and implementation of this standard is facilitated by XBRL International, a non-profit consortium that includes XBRL Europe, the majority of the European Countries and all economic sectors with a stake in the information supply chain: filers of information, software companies, accountants and auditors, regulators, publishers, and the citizens, investors and analysts who ultimately consume the information. Using the standard does not require a proprietary software product; facts found in statements, narrative text and footnotes can be tagged within mainstream spreadsheet and word processing documents using free add-ins, or converted using open-source data conversion programs. Various testimonies offer XBRL as a proven and immediately available method for standardizing the data that financial institutions provide to the authorities on fundamentals such as financial position, revenues and expense, cash flow, and executive compensation.