18th XBRL Europe Day ‘ eve

February ~~16~~th, 2017
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Amsterdam, The Netherlands

Supervisory Reporting
Working Group

- Derek De Brandt – Aguilonius (excused)
- Eric Jarry - Vincent Le Moal Joubel
  ACPR / Banque de France

Supervisory Reporting Working Groupe

- Activities
- Update on the reporting
- Discussion on potential activities
- Best Practices

Minutes Eurofiling

Minutes, January 26 2017
Posted on January 29, 2017 by admin
EBA news
EBA 2.6 was published with the following relevant features:
° Table linkbase update (2014) and
° Extensible enumerations: the data type of the existing ei-elements were switched
° 2.6 is a complete standalone (where 2.5.1 was interlinking between versions)
° Functional changes in tables are only related to SBP
° There should be no table or definition differences in all the others.
° validation rules have been revised in general
° 3 rules use the severity spec for warnings
Note: if there would somewhere be a business reference to DPM 2.6.0.1, this should be interpreted for the time being as 2.6.0 until further notice.
EBA 2.7 Exposure Draft has been released for review by stakeholder (link)
Call for volunteers to examine this version!
It's EBA's intention to finish taxonomie 2.7 around April
EIOPA news
° Taxonomy 2.1.0 is live and being implemented in Europe
° EIOPA will not release a corrective release 2.1.1, therefore the next version will be the 2.2.0 by 15 July 2017
° there are a few issues which are related to TV0 (check between the content template and filing indicators), which will probably need to be deactivated. More news will follow via EIOPA site in the second half of February.
° ad hoc entry point: after analysis is seems that this is not used in practice.
° on the other hand, there are some specific cases where a different combination of tables is required (for example resubmission of template S.30 and empty reports), EIOPA is analysing the options and will publish how to report it for 2.0.1 and 2.1.0 taxonomies, probably using regular entry points and not the ad-hoc entry point
ECB
° FINREP data points taxonomy will have 12 tables, is being finalized as an extension on EBA 2.6 (3 entry points con_gaap, ind_gaap, ind_ifrs). These 12 tables are cut-down tables on existing tables.

Proposed Agenda

- Update on Solvency II reporting
- State of the Play for the Group
- Future activities
- Any Other Business

Solvency II Reporting - Update

- Since 31 December 2016, Taxonomy V2.1 must be used for the reporting
- Some issues have been found, notably:
  - “Musical chair” data point : a data point that may correspond to two different data
  - Assertion BV0 cross-checking S.01.01 (Content Template) with filing indicators is wrong and will be deactivated
  - Assertion BV337 may lead to performance issue and will be deactivated (hopefully not executed)
- EIOPA will communicate soon on these issues (expected today)

Solvency II Reporting – Musical chair Datapoint

- A single datapoint correspond to cells
  "C0010/R0580" of QRT S.23.01: SCR in own funds template, calculated under the (partial) internal model (for (partial) internal model users) and
  "C0130/R0310" of QRT S.28.02: SCR in MCR template, calculated under the standard formula, when required under article 129(3):

  Metric: s2md:mi1958 Monetary|BC/Solvency capital requirement [SCR]|UG/Before diversification effect
  Dimensional combination: Valuation General/Solvency II
- EIOPA will certainly ask to report the SCR appearing in template S.23

Evolution of taxonomy 2.1

- No corrective release (2.1.1) will be published in 2017
- But a hotfix of 2.1 may be published to handle specific reporting

Specific reportings

- Changes in reinsurance contracts (need to report only template S.30) at the date of renegociation
- Need to augment the frequency of reporting as of article 35 of SII directive
- Reports needed to cancel a previously sent report (mistake, fusion…)

- EIOPA intends to publish a hot-fix for V2.0 and V2.1 to introduce preconditions to avoid the execution of some assertions when ad-hoc submission appear in S.01.02

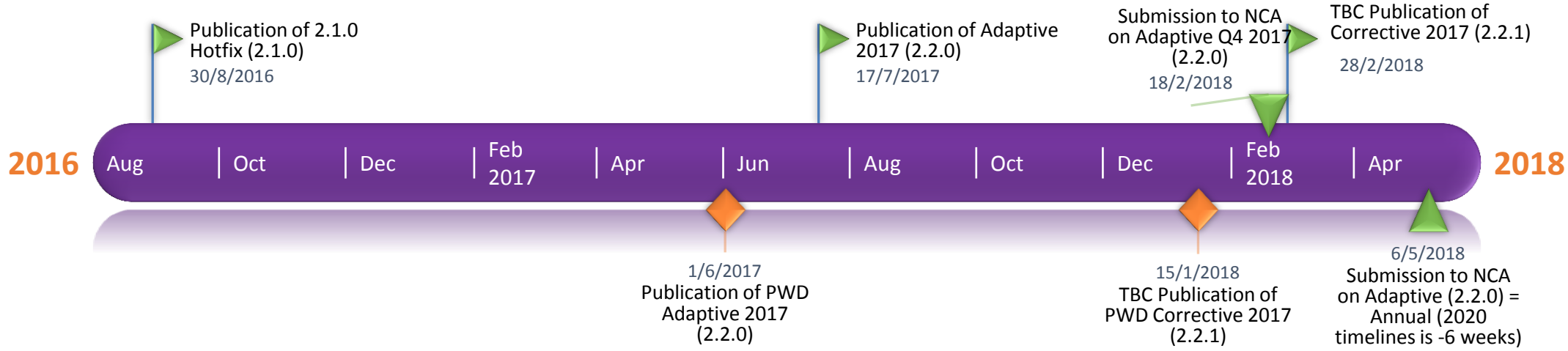
- Solution to be discussed in March for V2.2

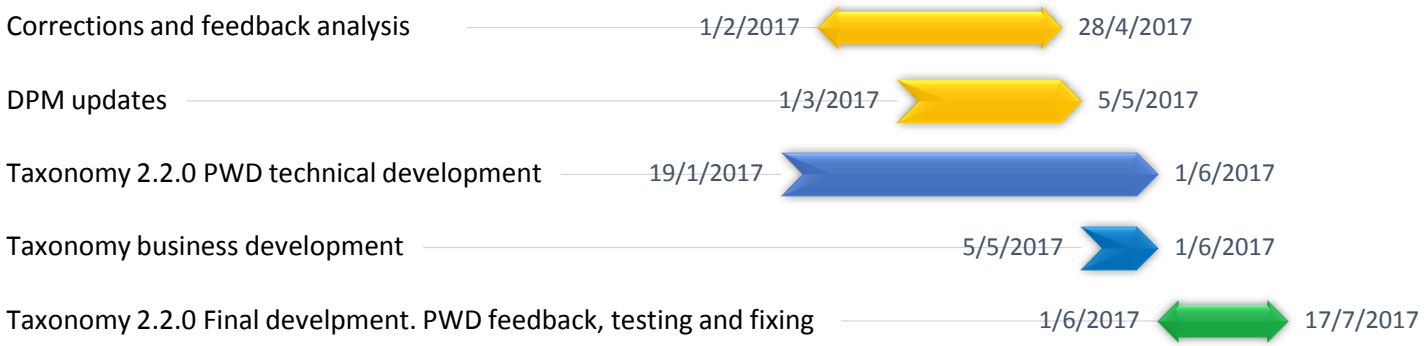
Specific reportings - Impacted assertions

Validation ID	Error message
BV333	If entity does not pursue both life and non-life activities then template S.28.01 has to be reported
BV334	If entity uses standard formula to calculate the SCR then template S.25.01 has to be reported
BV335	If entity uses a partial internal model to calculate the SCR then template S.25.02 has to be reported
BV336	If entity uses a full internal model to calculate the SCR then template S.25.03 has to be reported
BV338	If entity has MAP then template S.22.01 has to be reported
BV339	If entity uses transitional on interest rate then template S.22.01 has to be reported
BV340	If entity uses transitional on technical provisions then templates S.22.01 and S.22.05 have to be reported
BV341	If entity uses volatility adjustment then templates S.22.01 and S.22.06 have to be reported
BV342	If entity uses transitional on technical provisions then template S.22.01 has to be reported
BV353	If entity reports by RFF or has MAP then template S.01.03 has to be reported
BV354	If group uses method 1 or a combination of methods then template S.02.01 has to be reported
BV355	If group uses method 1 or a combination of methods then template S.02.02 has to be reported

Validation ID	Error message
BV356	If group uses method 1 or a combination of methods then template S.23.02 has to be reported
BV357	If group uses method 1 or a combination of methods then template S.23.03 has to be reported
BV358	If group uses method 1 or a combination of methods and uses the standard formula to calculate the group SCR then template S.25.01 has to be reported
BV359	If group uses method 1 or a combination of methods and uses a partial internal model to calculate the group SCR then template S.25.02 has to be reported
BV360	If group uses method 1 or a combination of methods and uses a full internal model to calculate the group SCR then template S.25.03 has to be reported
BV361	If group uses method 1 or a combination of methods and uses the standard formula to calculate the group SCR then template S.26.01 has to be reported
BV362	If group uses method 1 or a combination of methods and uses the standard formula to calculate the group SCR then template S.26.02 has to be reported
BV653	Template S.26.07 shall be reported if any simplification in S.26.01 - S.26.05 has been applied (except for the simplification for captives for spread risk - bonds and loans and the simplification for captives for market risk concentration, both in S.26.01)

EIOPA SII Taxonomy 2017 Calendar





EBA Taxonomy 2.6

- Introduction of Extensible Enumeration 1.0
  - Enumeration metrics now have both Eurofiling and Extensible enumeration information
- Use of Table Linkbase 2014 specification
- Use of Severity Assertion
  - 3 assertion with Warning Severity : v4920_m, v4921_m and v4922_m

EBA Taxonomy 2.6

- 2.6 taxonomy does not rely on older taxonomies anymore
- A lot of validation rules have been revised
- SBP entrypoints are the only ones to be modified
- All other entrypoints are instance-compatible with 2.5 taxonomy (except the validation rules)

Taxonomy 2.7 Exposure Draft (FINREP Only)

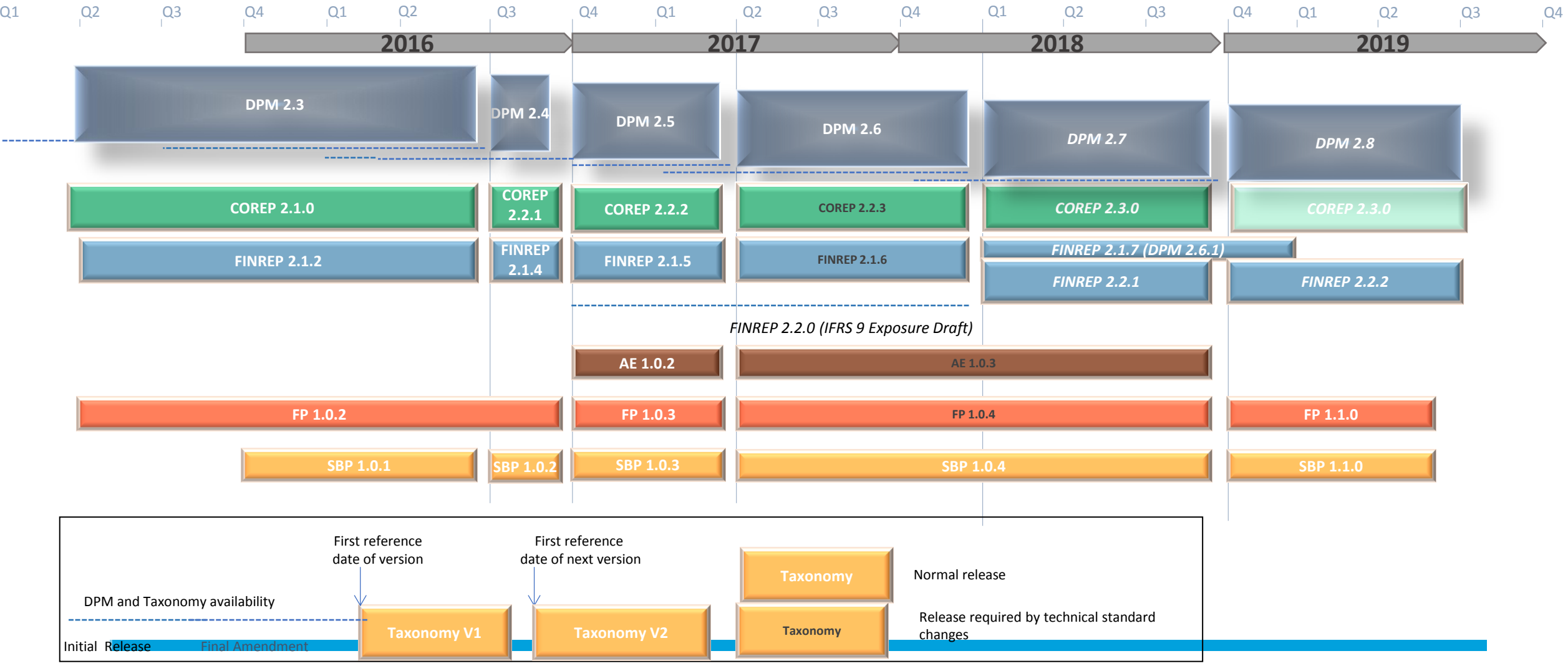
- First public draft published on the end of November 2016 on EBA website
- A new draft has been published internally on the 1st of february for national authority review
- Final version should be published during April.

EBA filing rules updated

- EBA updated its filing rules to version 4.2
  Each rule is now named
  - Example : <invalidFilingIndicatorValue>

- This update also includes clarification on Multi Currency

EBA Calendar



Source : EBA 14/12/2016

EBA Releases

Reporting framework	Framework release date (last update)	Applicable for reports as of	Changes from previous version	Reporting reference date
2.5	*03/2016*	31/12/2016	Changes to FINREP as regards GAAP reporters	31/12/2016
			Changes to COREP to align with CCB disclosure requirements	31/12/2016
			Changes to Benchmarking as regards CCR exposures	31/12/2016
2.6	01/2017	30/06/2017	Changes to Benchmarking	31/12/2017
			Changes to validation rules	30/06/2017
2.7 Exposure draft	10/2016	31/03/2018	Changes to FINREP due to IFRS9**	31/03/2018
			Changes to FINREP (IFRS 9)	31/03/2018
2.7	04/2017	31/03/2018	Changes to COREP as regards credit risk	31/03/2018
			Changes to COREP as regards OpRisk	31/03/2018
			Changes to COREP as regards AMM	31/03/2018
			New tables on sovereign exposures	31/03/2018
			New tables on prudent valuation	31/03/2018
2.8	12/2017	31/12/2018	Changes to Benchmarking	31/12/2018
			Changes to FINREP as regards NPE/PL	31/12/2018
			Changes to Funding Plans	31/12/2018
			Changes to COREP as regards CRR/CRD changes***	31/12/2018
			Changes to COREP as regards MREL***	31/12/2018
2.9	*10/2018*	30/09/2019	Changes to Benchmarking	31/12/2019
			Changes to COREP*	30/09/2019
			Changes to FINREP*	30/09/2019

* Tentative assumptions

** FINREP 2.2.0 represents a first release of the FINREP IFRS9 framework which is to be used as of March 2018. Publication is intended to encourage banks to start their implementation projects and to receive feedback on its correctness. Errors will be corrected in the v2.7 release of the FINREP framework.

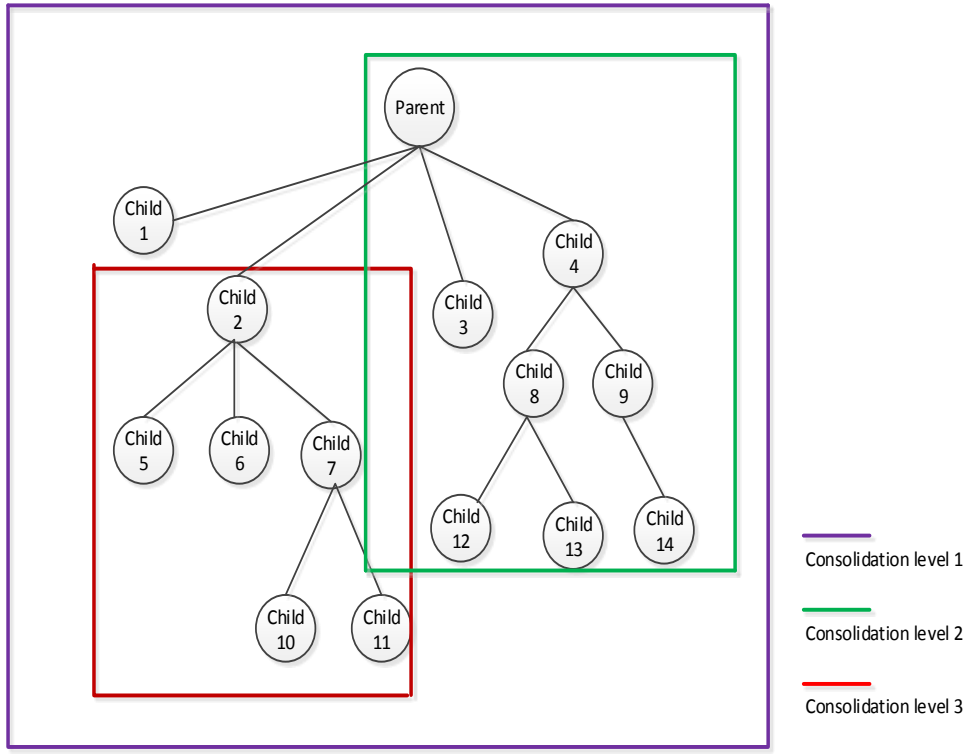
*** These changes depend on CRR/CRD/BRRD changes - alternatively these changes will be included in v2.9

Clarification on implementation dates of IFRS 9

"Validity dates for 2.7 exposure draft and 2.6 end date are subject to change, depending on a future choice of implementation alternatives regarding the implementation period of IFRS 9 reporting, which is expected to start with the first quarterly report *"for annual periods beginning on or after 1 January 2018"*, which means that the first Q1 report for an entity may fall between 31 March 2018 and a hypothetical latest possible date of 30 March 2019 (Q1 for a hypothetical entity beginning its financial year on 3~~0~~1Dec)."

Versions FINREP/DPM par date de fin d'exercice						
Date de fin d'exercice	Dates d'arrêté					
	31/12/2017	31/03/2018	30/06/2018	30/09/2018	31/12/2018	31/03/2019
31/12	2.1.7 / 2.6.1	2.2.1 / 2.7	2.2.1 / 2.7	2.2.1 / 2.7	2.2.2 / 2.8	2.2.2 / 2.8
30/06	2.1.7 / 2.6.1	2.1.7 / 2.6.1	2.1.7 / 2.6.1	2.2.1 / 2.7	2.2.2 / 2.8	2.2.2 / 2.8
Cas limite (pas en France)	*30/12/2017*	*30/03/2018*	*29/06/2018*	*29/09/2018*	*30/12/2018*	*30/03/2019*
30/12	*2.1.6 / 2.6*	*2.1.7 / 2.6.1*	*2.1.7 / 2.6.1*	*2.1.7 / 2.6.1*	*2.1.7 / 2.6.1*	*2.2.2 / 2.8*

Consolidation level – the challenge



EBA's key assumptions:

- The number of distinct "consolidation levels" that could share a particular parent entity is

a) At least 4 or more

b) Arguably/potentially very large (10s, 100s) or even "infinite"

c) Not knowable to the EBA a priori if we aim to support all reasonable subsidiary / extensional usages of the taxonomy/reporting mechanism…

Conclusion

- Just adding a fixed set of additional modules won't achieve the aims.
- "Consolidation scope" is (conceptually) an "open dimension"…

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23 different typologies of consolidation seen by EBA

	Scope of consolidation		Entity Properties			
Categories of Reporting Entities	Consolidation criteria	Geographic scope	Structure	Line of business	Origin	Residence
Group of Deposit bank	Group of deposit bank	All	Conventional group	Deposit bank	Domestic	Resident
Consolidation group of Deposit bank	Consolidation group of Deposit bank	All	Consolidation group	Deposit bank	Domestic	Resident
Group of Financing institution	Group of Financing institution	All	Conventional group	Financing institution	Domestic	Resident
Consolidation group of Financing institution	Consolidation group of Financing institution	All	Consolidation group	Financing institution	Domestic	Resident
Group of central body	Group of central body	All	Conventional group	Central body	Domestic	Resident
Financial conglomerate	Financial conglomerate	All	Conventional group	Financial conglomerate	Domestic	Resident
Group of amalgamation	Group of amalgamation	All	Consolidation group	Group of amalgamation	Domestic	Resident
Liquidity subgroups	Liquidity subgroups	All	Consolidation group	Financial institution	Domestic	Resident
Deposit bank including foreign branches	Solo	All	Company	Deposit bank	Domestic	Resident
Deposit bank excluding foreign branches	Solo	Domestic only	Company	Deposit bank	Domestic	Resident
Foreign branch of Deposit bank	Solo	All	Branch	Deposit bank	Domestic	Non-resident
Foreign Credit institution subsidiary of Consolidation group of Deposit bank	Solo	All	Subsidiary	Credit institution	Foreign	Non-resident
Large Financial institution in Consolidation group of Deposit bank	Solo	All	Company	Financial institution	Domestic	Resident
Financing institution including foreign branches	Solo	All	Company	Financing institution	Domestic	Resident
Financing institution excluding foreign branches	Solo	Domestic only	Company	Financing institution	Domestic	Resident
Foreign branch of Financing institution	Solo	All	Branch	Financing institution	Domestic	Non-resident
Foreign Credit institution subsidiary of Consolidation group of Financing institution	Solo	All	Subsidiary	Credit institution	Foreign	Non-resident
Large Financial institution in Consolidation group of Financing institution	Solo	All	Company	Financial institution	Domestic	Resident
Branch of foreign Credit institution engaged in Deposit bank activities	Solo	All	Branch	Deposit bank	Foreign	Resident
Branch of foreign Credit institution engaged in other than Deposit bank activities	Solo	All	Branch	Credit Society	Foreign	Resident
Financial holding company (Credit institutions)	Solo	All	Company	Financial holding (Credit institutions)	Domestic	Resident
Central body (amalgamation)	Solo	All	Company	Central body (amalgamation)	Domestic	Resident
Central body	Solo	All	Company	Central body	Domestic	Resident

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Proposed solutions

1. Use dimensions, potentially in the segment
2. Use metadata
3. Use C_00.01 R020 C010 to define the perimeter of consolidation
4. Extend the identification of the reporter

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instance-generator processing instruction

- L'EIOPA demande *(should),* dans sa règle de remise (*filing rule)* S.2.23 qu'une instruction de traitement (*processing instruction*) XML instance-generator soit présente après la déclaration XML des instances.

  Cette instruction doit comporter au minimum les pseudo attributs « id », identifiant le composant logiciel et « version », identifiant sa version. Elle peut contenir d'autres pseudo attributs et des commentaires XML additionnels peuvent être ajoutés.

```
<?xml version="1.0" encoding="UTF-8"?>
<?instance-generator id="EIOPA T4U" version="2015.8.28.0"
  creationdate="2015-09-15T16:53:43:00+02:00"?>
  Des commentaires peuevnet être ajouté. Par exemple :
  <!--
   Generated by EIOPA T4U at 2015-09-15T16:53:43+02:00
   (c) 2015 EIOPA European Insurance and Occupational Pensions Authority
    T4U Version 2015.8.28.0.
  -->
```

To be translated

- Ces données sont utiles pour déterminer quelle(s) produit(s) sont utilisés pour produire les instance afin de pouvoir réagir rapidement en cas de problème

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