EBA release plan

and future considerations for EBA taxonomies

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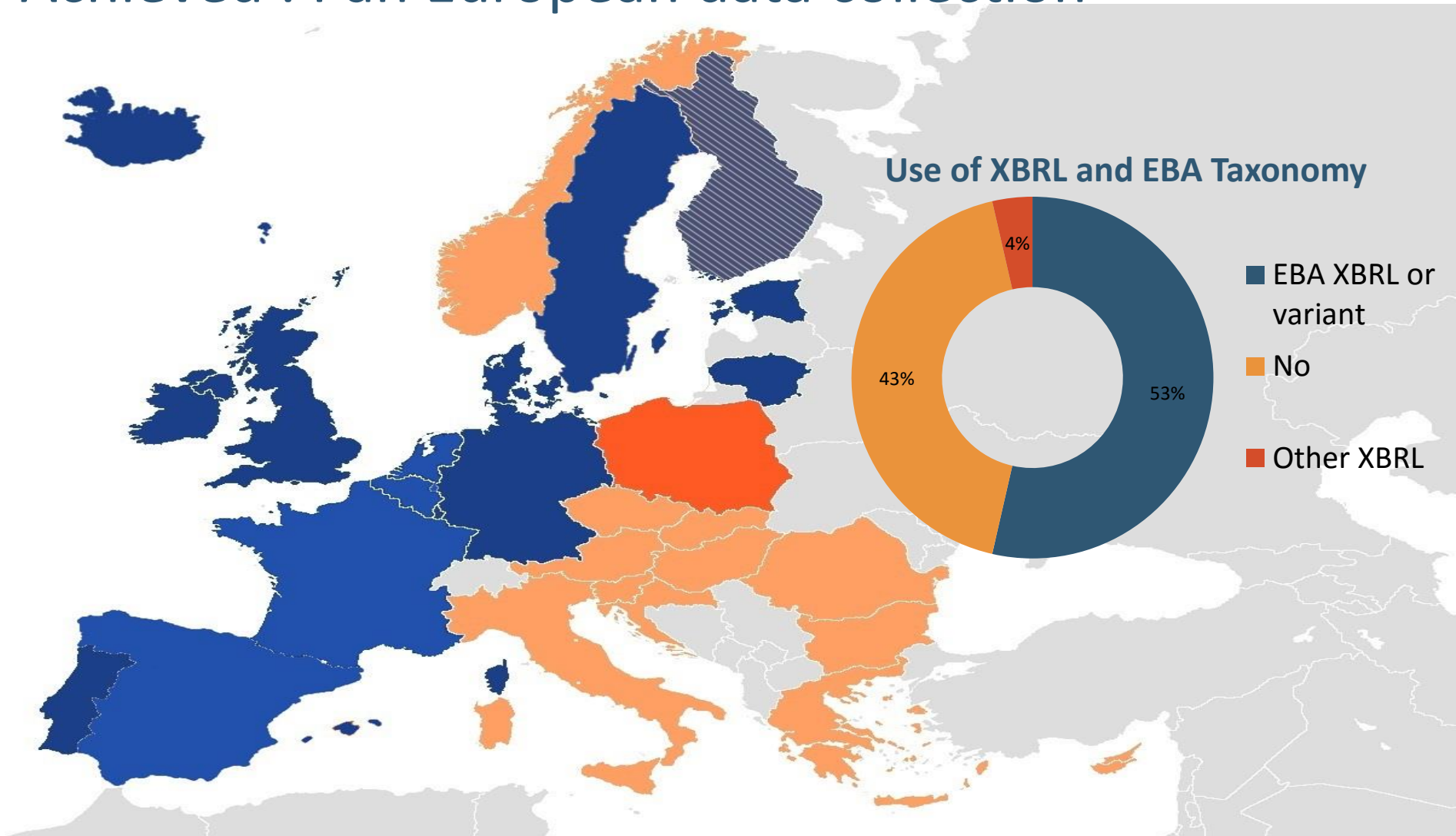
Part I:

THE BIG THEMES

Achieved : Pan European data collection

Use of XBRL and EBA Taxonomy

- ■ EBA XBRL or variant — 53%
- ■ No — 43%
- ■ Other XBRL — 4%

First implementation flurry giving way to long term trends

Change
- Continuous, ongoing change!
- Supervisory change slowing
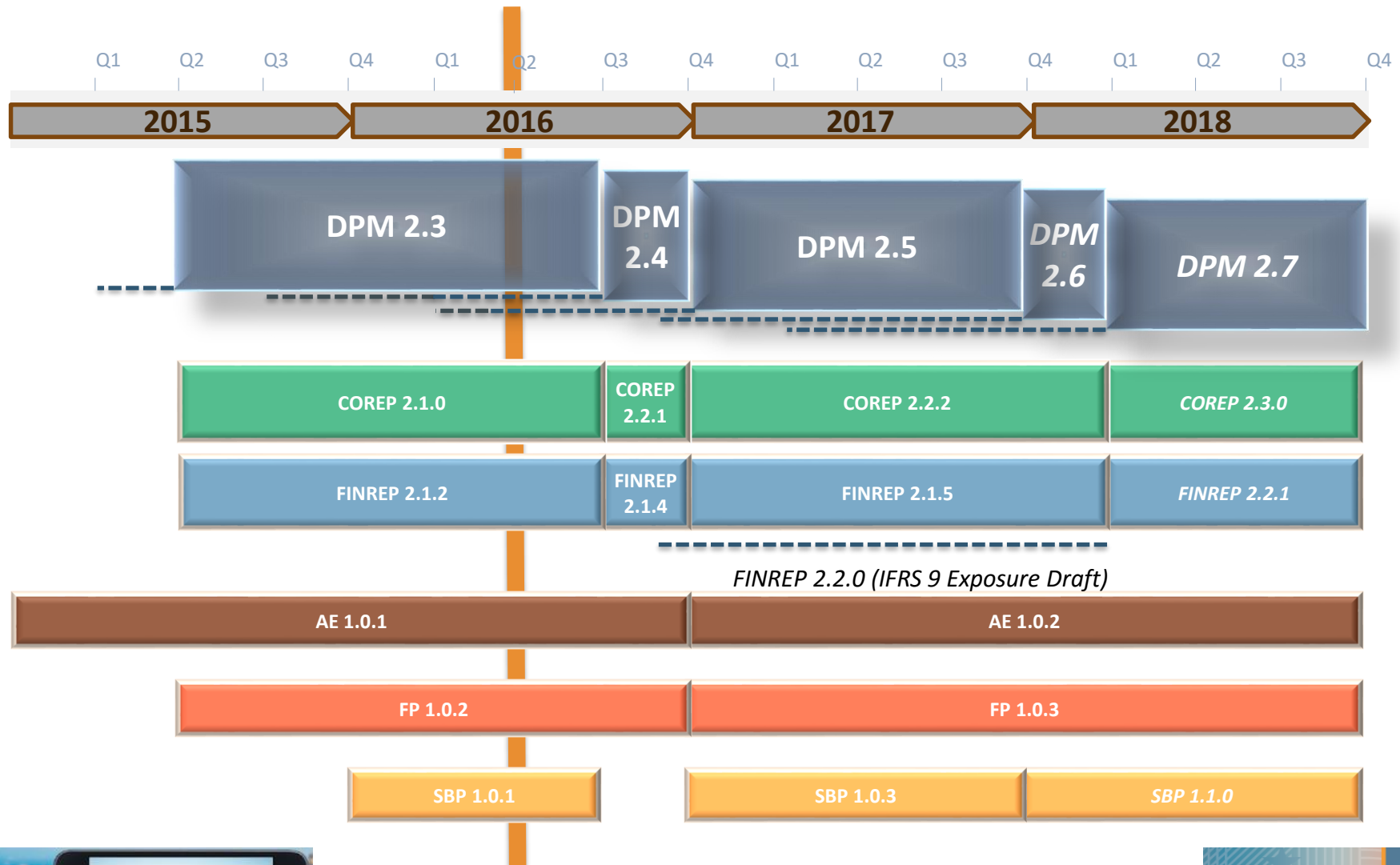- New sources of changes

Gradual Maturing
- Introductory periods lengthening towards sustainable
- Learning from experience
- Progressive enhancement

Greater use of data
- More analytical usage in CAs
- Publication of reported data
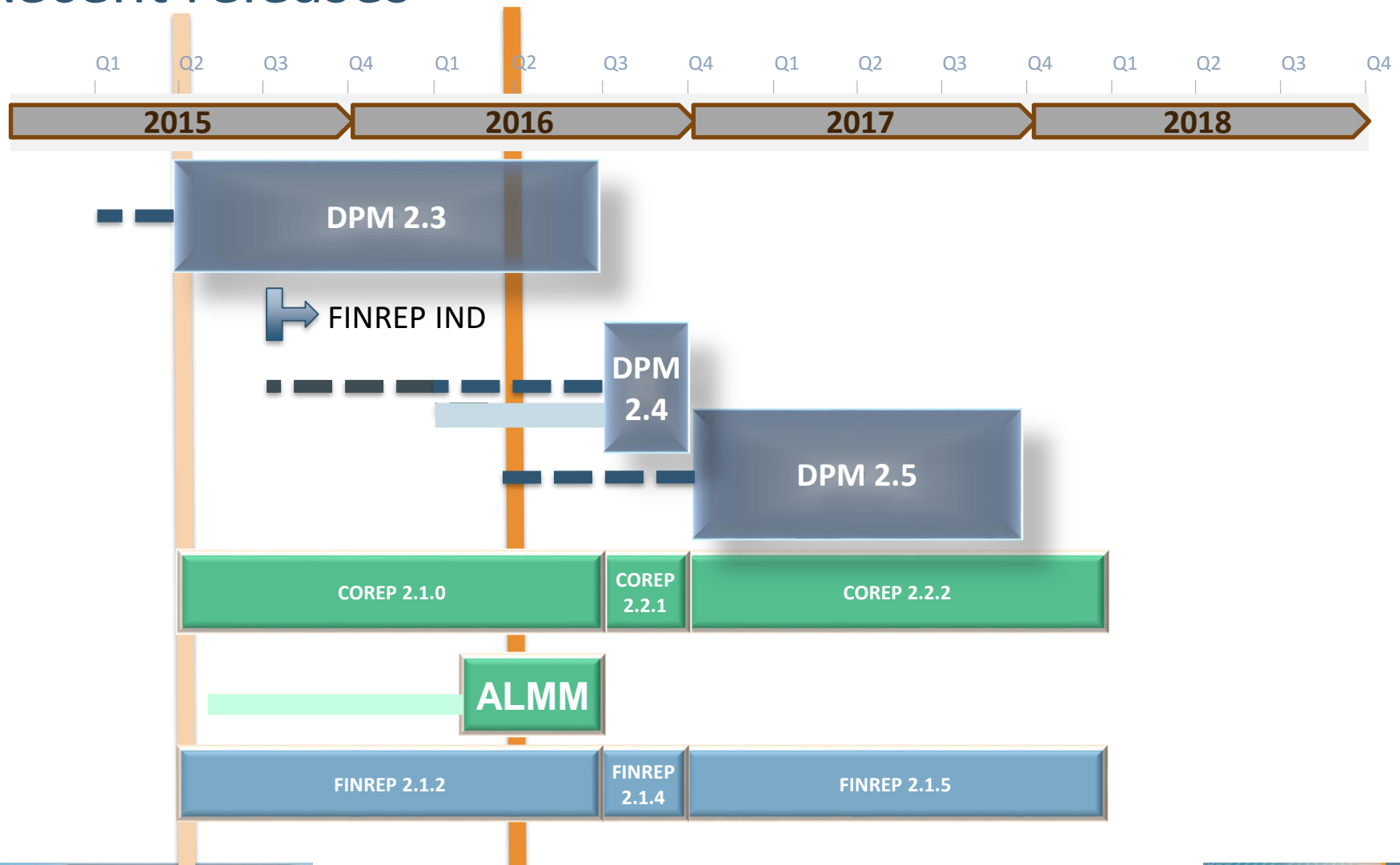
Release roadmap and applicability

XBRL WEEK IN FRANKFURT 2016

Part II:

THE RECENT PAST

Recent releases

	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
		2015				**2016**				**2017**				**2018**		

DPM 2.3

➡ FINREP IND

DPM 2.4

DPM 2.5

COREP 2.1.0	COREP 2.2.1	COREP 2.2.2

ALMM

FINREP 2.1.2	FINREP 2.1.4	FINREP 2.1.5

XBRL WEEK IN FRANKFURT 2016

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The recent past – since Madrid

Taxonomy highlights

July '15 – 2.3.2 FINREP Individual entry points

September '15– 2.4 LCR and LR changes, Multicurrency reporting

March '16 – 2.5 Changes - no major new reporting

Reporting

ALMM reporting finally starts for end April (just now due at CAs)

(draft ITS published by EBA in July 2014, but delays and late revisions by the EC)

LR and LCR legislation adoption also delayed

(2.4 implementation will be in September '16, rather than December '15)

Preparation

ITS **consultations**:

- **IFRS9** FINREP Dec-Mar

- **GAAP** FINREP to mid April

- COREP **Prudent Valuation** to end Mar

Why "Individual" Level FINREP?

Background

- CRR/CRD (I.e EBA) does not require FINREP reporting from individual firms, only from groups.

- However competent authorities can choose to require it.

- The SSM desired to extend FINREP reporting to all the individual reporters in the Eurozone.

- The first phases of this extension required no additions or modifications to the data model or templates, just a suitable entry point.

Why "Individual" Level FINREP?

Why was the taxonomy published by the EBA?

Benefits to facilitating this at the EBA level:
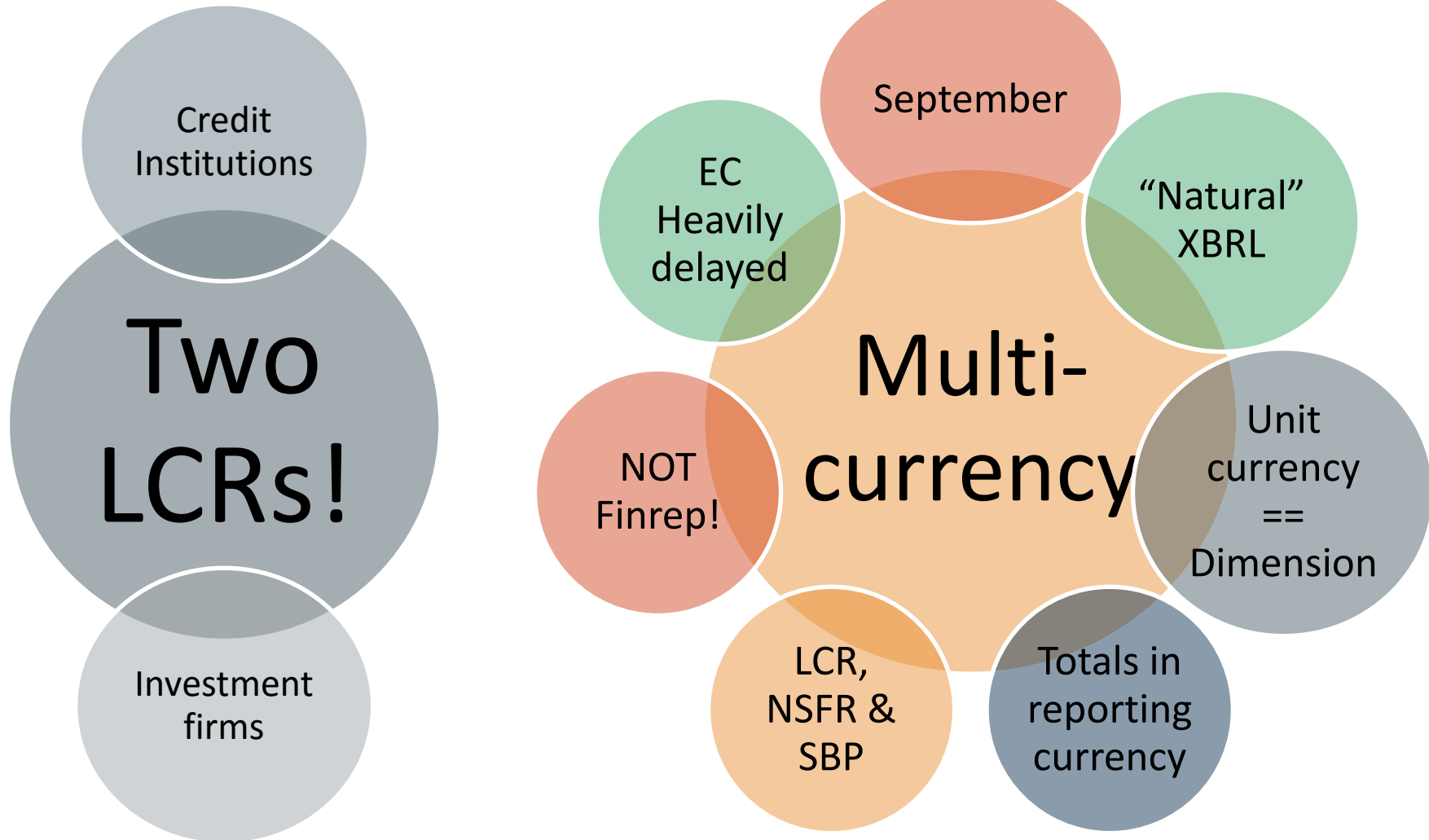
Principle:

- Likelihood of non-SSM jurisdictions re-using it
- More logical to publish at EEA level

Practical:

- Relatively **short timescale**
- **Consistency of deliverables** would make for easier implementation

2.4 new LCR and Multi-currency

Credit Institutions

Two LCRs!

Investment firms

September

EC Heavily delayed

"Natural" XBRL

Multi-currency

NOT Finrep!

Unit currency == Dimension

LCR, NSFR & SBP

Totals in reporting currency

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Part III:

THE NEAR FUTURE

XBRL WEEK IN FRANKFURT 2016

Where next? Upcoming drivers

Content	Technical	Usage

Change	Enhancement	Evolution	Publication

Where next? Upcoming drivers

Content change

- IFRS 9
- Continuous trickle of regulatory amendments
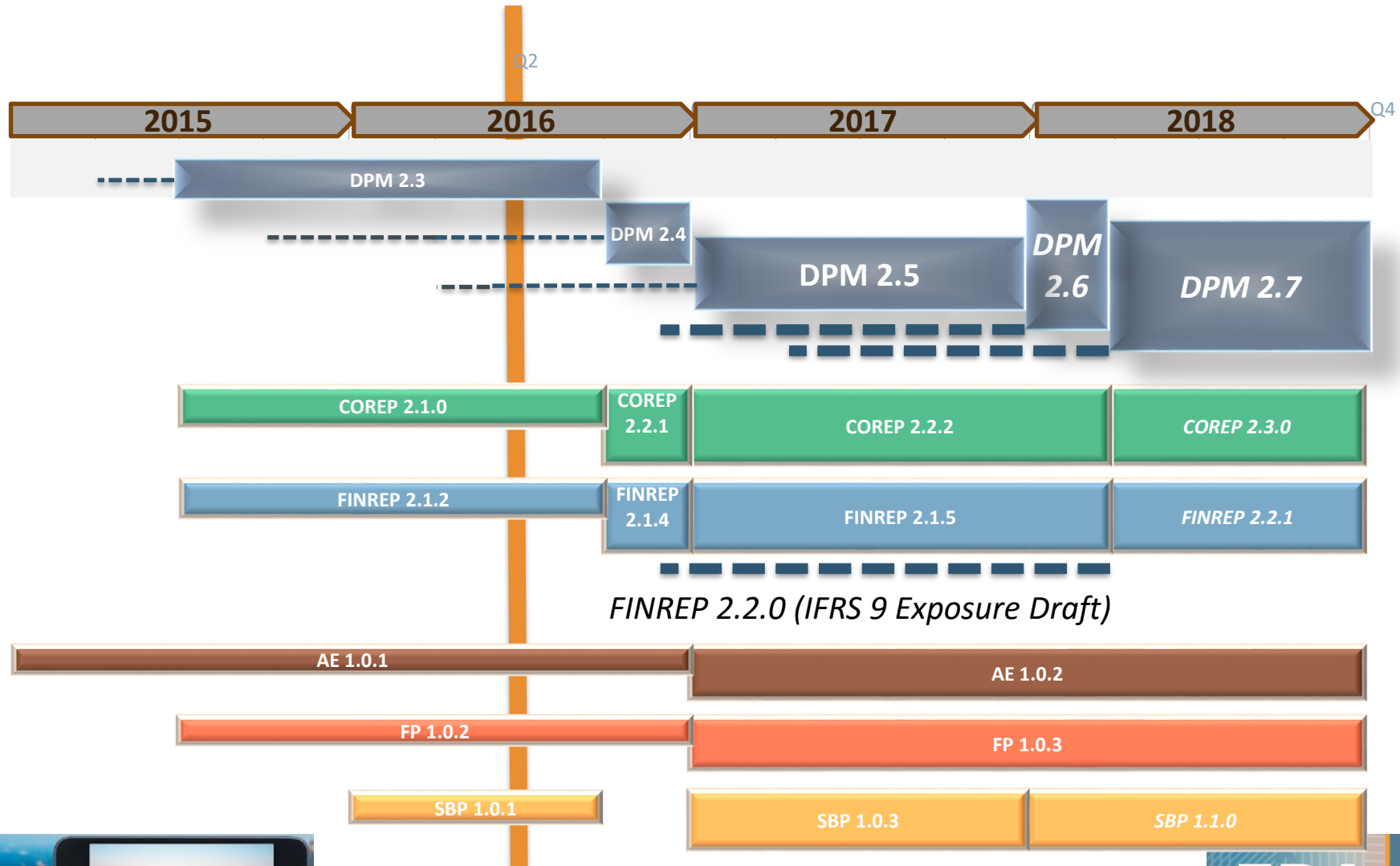- Supporting more usage

Content Enhancement

- More + better validation rules
- Plausibility checks

Technical evolution

- XBRL specification RECs
  - Table Linkbase
  - Extensible Enumerations
  - Assertion Severity
  - Taxonomy Packages
- New validation rule types and features
- Alignment with EIOPA

Future roadmap and applicability

XBRL WEEK IN FRANKFURT 2016

IFRS 9

- A significant change to Bank's accounting for financial instruments

- Will obviously have a large impact on FINREP

- Presumed for EU introduction in 2018 (subject to legislation)
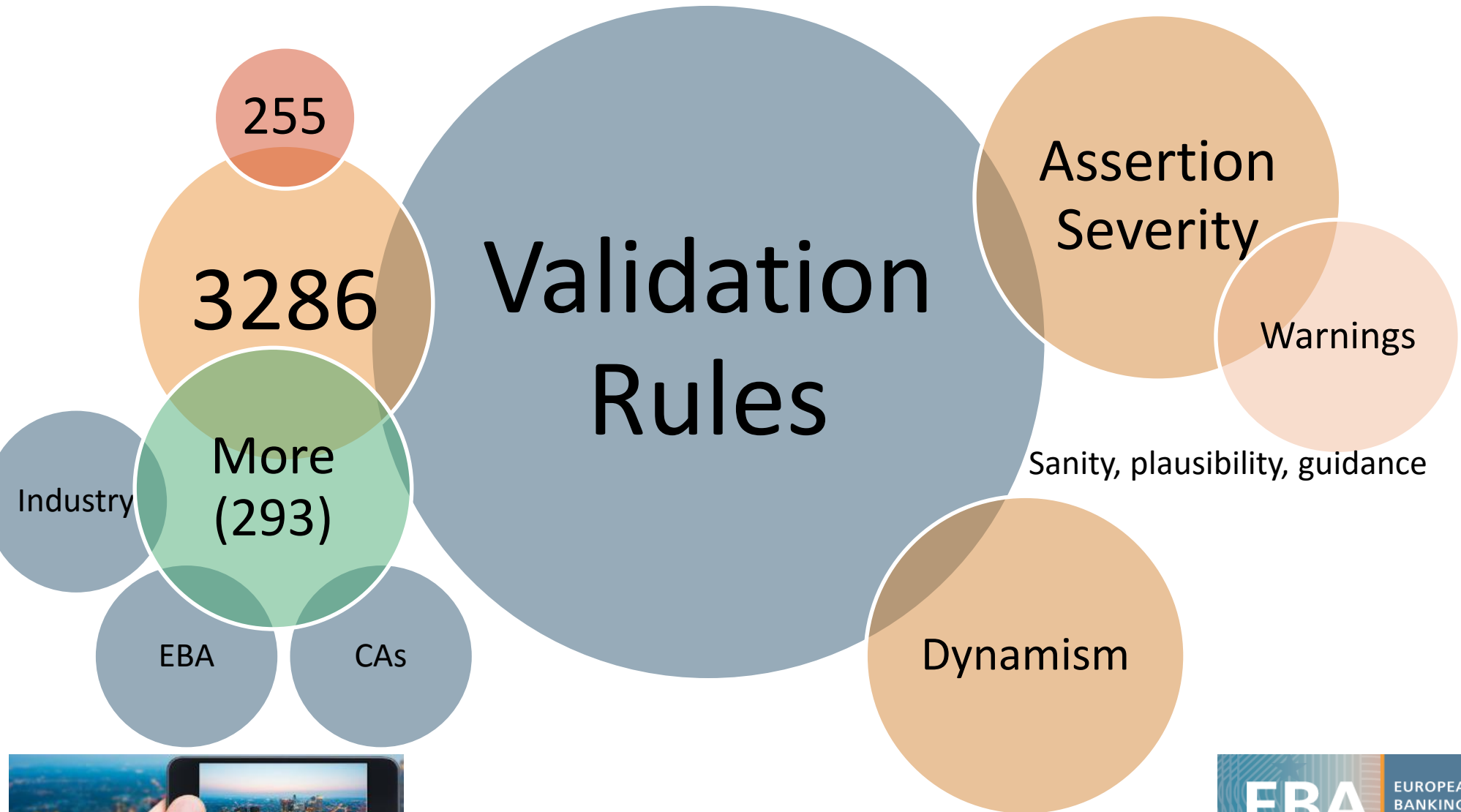
IFRS 9 – Implementation approach

"Right First Time" ?

Fairly Implausible → Risk mitigation approach

- Ran consultation on the IFRS 9 changes to FINREP ITS (Dec 15-Mar 16)

- Will publish an **exposure draft of IFRS 9 FINREP in late 16** (a year and a half in advance) to allow serious implementation.

- Expect a possible **revised version of this in mid '17**, incorporating feedback received.

Validation Enhancements

255

3286

More (293)

Industry

EBA

CAs

Validation Rules

Assertion Severity

Warnings

Sanity, plausibility, guidance

Dynamism

Greater use of Data - publication

Transparency Exercise

Direct publication of supervisory data

Annual

Contact channels

For technical questions related to the XBRL taxonomy, DPM Database or DPM methodology:

eba-xbrl@eba.europa.eu

Please do get in touch if you have suggestions or feedback

Note that questions related to the regulatory content of the framework ("business" questions) should be raised via the EBA Q&A tool

http://www.eba.europa.eu/single-rule-book-qa

Part IV:

TRENDS FOR REGULATORY REPORTING

Trends in regulatory reporting

Change
- Constant, steady stream of new and changed reports
- Impact of external changes like IFRS 9

Co-operation
- Exchange of data between many regulatory parties, e.g. insertion of SSM into collection chain
- Standardised formats, and widely known technologies allow quick, efficient sharing of data

Scope
- More reporters - both to EBA, and not (e.g. SSM FINREP)

Volume
- More data

Frequency
- Annual, quarterly, and more and more monthly reports…

Publication
- Direct derivation of transparency datasets from regulatory data

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Some challenges of "the new normal"

Pace

- Short implementation deadlines
- Reducing (normalised) remittance periods
- Increasing pressure on already-stretched internal teams

Uncertainty

- Legislative processes giving unpredictable timelines and changes

Increasing Scope and Granularity

- Challenge for both:
  - Production (Data availability, governance, audit, attestation)
  - Analysis (internal, supervisory and public usage)

A scare story…

"I predict that by 2020 there will be at least one structured supervisory report submitted at a **daily** frequency …"

Andreas Weller – EBA Head of IT

This implies:

1) **Automation** throughout preparation of regulatory reports.
2) Regulatory reporting **embedded** operationally
3) **Alignment** of key systems and processes to regulation.

(c.f. **BCBS 239**)

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