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& financial services

## **BBA response to EBA CP Consultation Paper on the XBRL Taxonomy related to the EBA final draft ITS on Supervisory Reporting Requirements under the draft CRR**

### **Introduction**

The British Bankers' Association ("BBA") is the leading association for UK banking and financial services for the UK banking and financial services sector, speaking for over 220 banking members from 60 countries on the full range of the UK and international banking issues. All the major banking players in the UK are members of our association as are the large international EU banks, the US banks operating in the UK and financial entities from around the world. The integrated nature of banking means that our members are engaged in activities ranging widely across the financial spectrum encompassing services and products as diverse as primary and secondary securities trading, insurance, investment banking and wealth management, as well as deposit taking and other conventional forms of banking.

The BBA is pleased to respond to this consultation on the XBRL taxonomy.

We would refer you to the letter we wrote to the EBA dated 23<sup>rd</sup> September 2013, which we have included in this response for your convenience. This details our key messages for the EBA.

In addition, we have provided you with a separate document which contains some examples of validations that we have discovered which need further analysis. Please note this is not an exhaustive list. We have also included to this letter a separate annex which highlights other questions we would ask the EBA to consider.

We understand this is a challenging and technical task, but it nevertheless needs to be accurate in order to avoid critical difficulties when it comes to submission. The BBA would be very happy to gather members and support the EBA in its development of the XBRL taxonomy in the future.

Yours sincerely

Robert Driver

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**Annex 1 – Further questions for the EBA**

- (i) There is still ambiguity surrounding what national authorities will mandate to institutions with regards to the transmission protocol or timelines. The CP indicates that XBRL will not be required for national regulators, but then makes the potentially contradictory statement that some competent authorities may use the same taxonomy to define their submission mechanism. This creates further uncertainty over the implementation timeline.
- (ii) The proposed taxonomy does not clarify the packaging of instance documents. For example, does the EBA expect one single XBRL instance (which could be a very big file in terms of physical size) containing all COREP reports, or will it allow separate submissions of instance documents covering separate reports like liquidity risk? The taxonomy discusses the concept of modularization, but there is insufficient guidance with regards to how these modules will be packaged into instance documents.
- (iii) The CP does not discuss any potential audit or scrutiny that banks may be subjected to with respect to their choice of DPM implementation scenario. In the reporting value chain, there could be various ways banks may choose to implement DPM and generate the XBRL instances. Can the EBA confirm its short and long term expectations?
- (iv) The proposed implementation of XBRL taxonomy does not create its XBRL primaries around the unique Data Point IDs, instead it uses generic tags and binds them into specific context identified by scenarios defined by a cross section of dimensions. This makes it difficult to co-relate Report cells to XBRL elements resulting in a rather complex implementation of XBRL capability in the reporting solution. It also makes the size of the XBRL instance document very large. There is an alternative way to create an IT implementation around the unique XBRL tags around each Data point leveraging its unique ID or even names. We believe it will be a much simpler way of implementation certainly in the initial stages of XBRL adoption as the technology matures in future.
- (v) Cross period validation rules are kept out of scope of the taxonomy due to technical limitation in XBRL, but the CP considers additional validations on receiving the data. This creates the risk of a failed submission with no specific details on resolution mechanism.
- (vi) Can the EBA confirm when it will publish the final DPM/taxonomy?



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Wolfgang Strohbach  
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24 September 2013

Dear Wolfgang,

COREP and FINREP version management and communication

We would appreciate some information on how the EBA is managing the validations for COREP and FINREP (Annex XV of the ITS), and template changes. Members have reported that they believe changes have been made to both the validations file, and some of the templates since the versions first published by the EBA at end July. The number of rows in the validations file currently on the website (link: <http://www.eba.europa.eu/regulation-and-policy/supervisory-reporting/implementing-technical-standard-on-supervisory-reporting-corep-corep-large-exposures-and-finrep->) is c. 500 fewer than on the version which was published end July. In addition changes have been found to templates 02.00, 07.00, 18.00 and 22.00 when compared with the 'final draft' versions published in July.

Whilst we understand some changes may be necessary, particularly as relevant level 2 regulation is being finalised, we are concerned that the EBA is making changes to the validations and templates without making a concerted attempt to alert the industry to these changes. With firms under enormous pressure to comply with the COREP and FINREP requirements as they stand, it is unhelpful that they could end up spending considerable time going through validations that have become out of date, or sourcing data that is no longer required or, in fact where different data should be sourced. If the EBA is to make changes in the future, it is imperative to the shared goal of accurate and meaningful regulatory submissions, that these are communicated in a clear and timely matter.

Following on from this, could the EBA advise whether changes have in fact been made to Annex XV, and to templates, since July, and if so, what they are. One possibility could be to include documents which show track changes, or something along these lines. This should apply to all templates, instructions and validations rules.

Members are finding it extremely time-consuming in particular to review the validations to check that they make logical sense. Please note we have had reports of some potential logical errors being identified, which if not rectified could render all industry returns under the particular taxonomies impossible to submit. While we appreciate the EBA also has a very heavy workload, there does need to be strict version control and Quality Control processes put in place to manage any potential future changes, in order to help industry meet the already challenging deadlines, and to ensure that first submission is successful for all parties.

The BBA is very happy to help support you in any way we can with both what we have outlined above, and the development and implementation of COREP and FINREP generally.

Yours sincerely

Robert Driver

A handwritten signature in black ink, appearing to read 'R Driver', with a long horizontal line extending to the right from the end of the signature.

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