



EUROPEAN CENTRAL BANK

EUROSYSTEM

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Experiences from extending the FINREP taxonomy

Data Amplified

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Overview

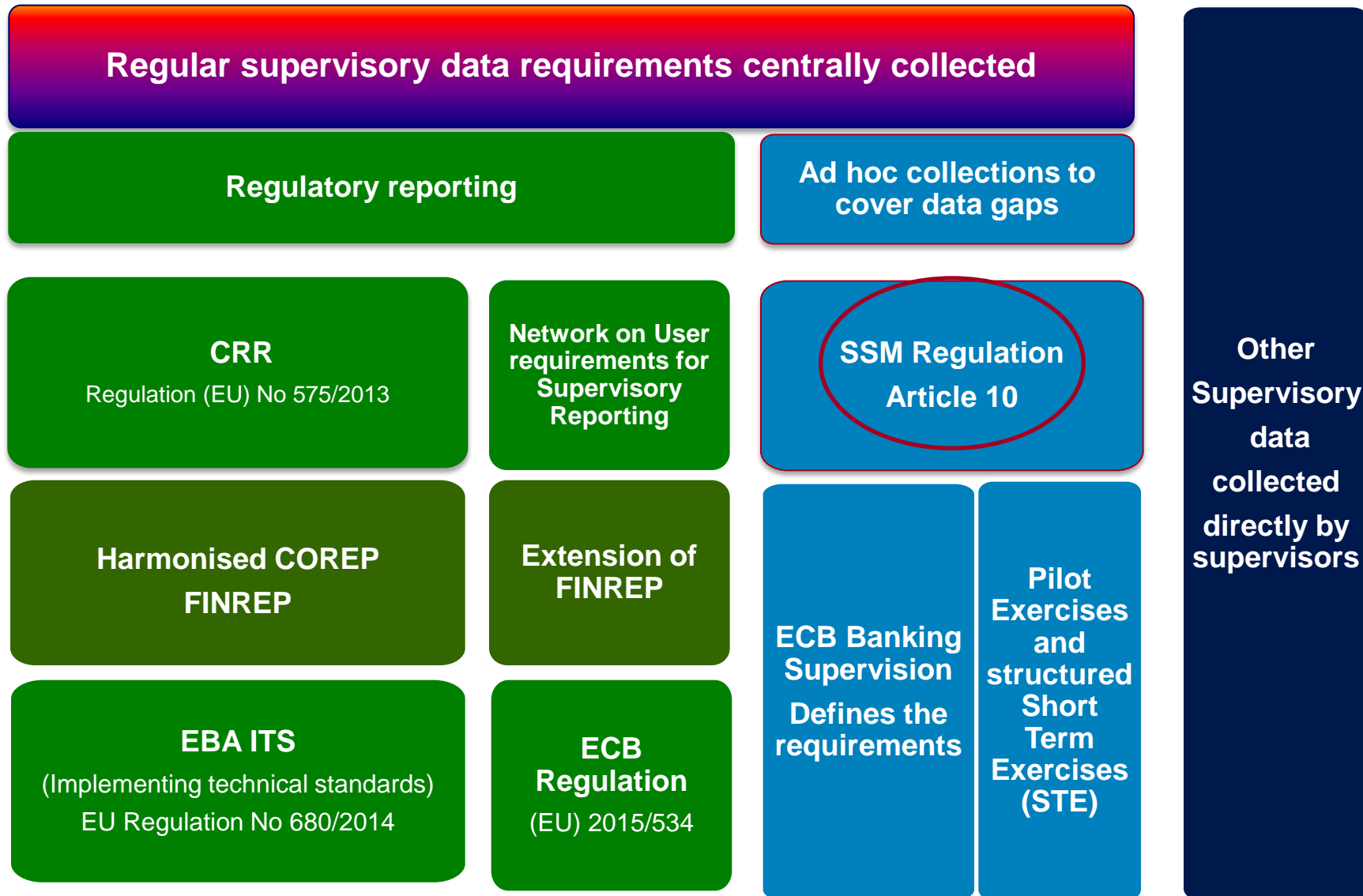
1 Coverage of supervisory data needs

2 ECB's Supervisory Financial Reporting Data Points (SFRDP) Taxonomy

3 Experiences and challenges

4 ECB Taxonomies Governance

1. Coverage of supervisory data needs



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2. ECB's SFRDP Taxonomy

Legal Background

- Supervisory data collection for less significant institutions (LSI) as set up in Annex III of the [ECB Regulation \(EU\) 2015/534](#)
- “Supervisory financial reporting data points” (SFRDP) - **SFRDP taxonomy 1.0.0 & 2.0.0 package**

Reporting population		Accounting Standard	Full FINREP	Simplified financial reporting	Over-simplified supervisory financial reporting	Data Points	First reference date
Less Significant Institution							
Consolidated or sub-consolidated		IFRS	x				12/2014
		nGAAP > 3 billion € TA		x			06/2017
		nGAAP < 3 billion € TA				x	06/2017
Individual basis	Stand-alone	IFRS or nGAAP > 3 billion € TA		x			06/2017
		IFRS or nGAAP < 3 billion € TA				x	
	non-waived SSM separate parents / subsidiaries	IFRS or nGAAP > 3 billion € TA				x	06/2017
		IFRS or nGAAP < 3 billion € TA				x	
Branch	SSM branch of non SSM credit institutions	IFRS or nGAAP > 3 billion € TA		x			06/2017
		IFRS or nGAAP < 3 billion € TA	no reporting obligation				

* TA = Total Assets

Developing the SFRDP taxonomy

- An extension of the FINREP EBA ITS taxonomy
 - Limits its scope to selective tables and cells as identified in the ECB Regulation
 - V1.0.0 Built upon the EBA 2.6.0 DPM
 - V2.0.0 Built upon the EBA 2.7.0.1 DPM
 - Tailor-made validation rules, derived from the latest EBA validation rules, to fit the purposes of the SFRDP reporting, i.e. filtered out, narrowed scope
 - Allows reporting of additional FINREP templates/data points that go beyond the SFRDP reporting requirements

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3. Experiences and challenges

- **First XBRL taxonomy, ever developed by the ECB**

- ❑ Lots of administrative work involved, related to procurement, contracts drafting, user requirements definition, configuration of new tools and introducing WG-SIM members to this new challenge
- ❑ Lots of new experience in testing and configuring XBRL taxonomies in our internal tools and applications, e.g. SUBA

- **Development had to go “hand-in-hand” with the EBA 2.6 DPM & the EBA 2.7.0.1 hot fix release**

- ❑ Had to respect the EBA taxonomy’s timeline and ensure that sufficient time is left for the NCAs to configure and test SFRDP taxonomy
- ❑ Continuous risk of having EBA taxonomy hotfixes, affecting SFRDP too

3. Experiences and challenges (cont'd)

- **Permit reporting for both SFRDP and EBA FINREP**

- ❑ *SFRDP taxonomy package has to include EBA FINREP templates and allow banks to report SFRDP templates (mandatory reporting requirement) and if willing, additional EBA FINREP templates/data points*
- ❑ *Validation rules have to be triggered accordingly, in either case*

- **Enhanced skills and knowledge on XBRL**

- ❑ *Optimizing the internal taxonomies' loading process*
- ❑ *Instance files compilation and loading*

- **Deeper understanding on quality aspects**

- ❑ *Required perfect understand of the EBA VRs and scrutiny;*
- ❑ *Minors bugs were revealed, despite when using the EBA taxonomy as reporters (for SSM banks), were not spotted!*

3. Experiences and challenges (cont'd)

- **Lack of a governance policy on the development of new taxonomies**
 - Had been proven a necessity, for future developments, allowing all stakeholders involved to follow concrete steps/phases, roles and timelines
 - **A governance note has now been agreed with the relevant committee Working Group on Statistical Information Management (WG SIM)**

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Objective

- Illustrate due process for new XBRL taxonomies
- Establish clear levels of responsibility among all the stakeholders involved
- Show the required steps and timelines throughout the entire taxonomy development cycle

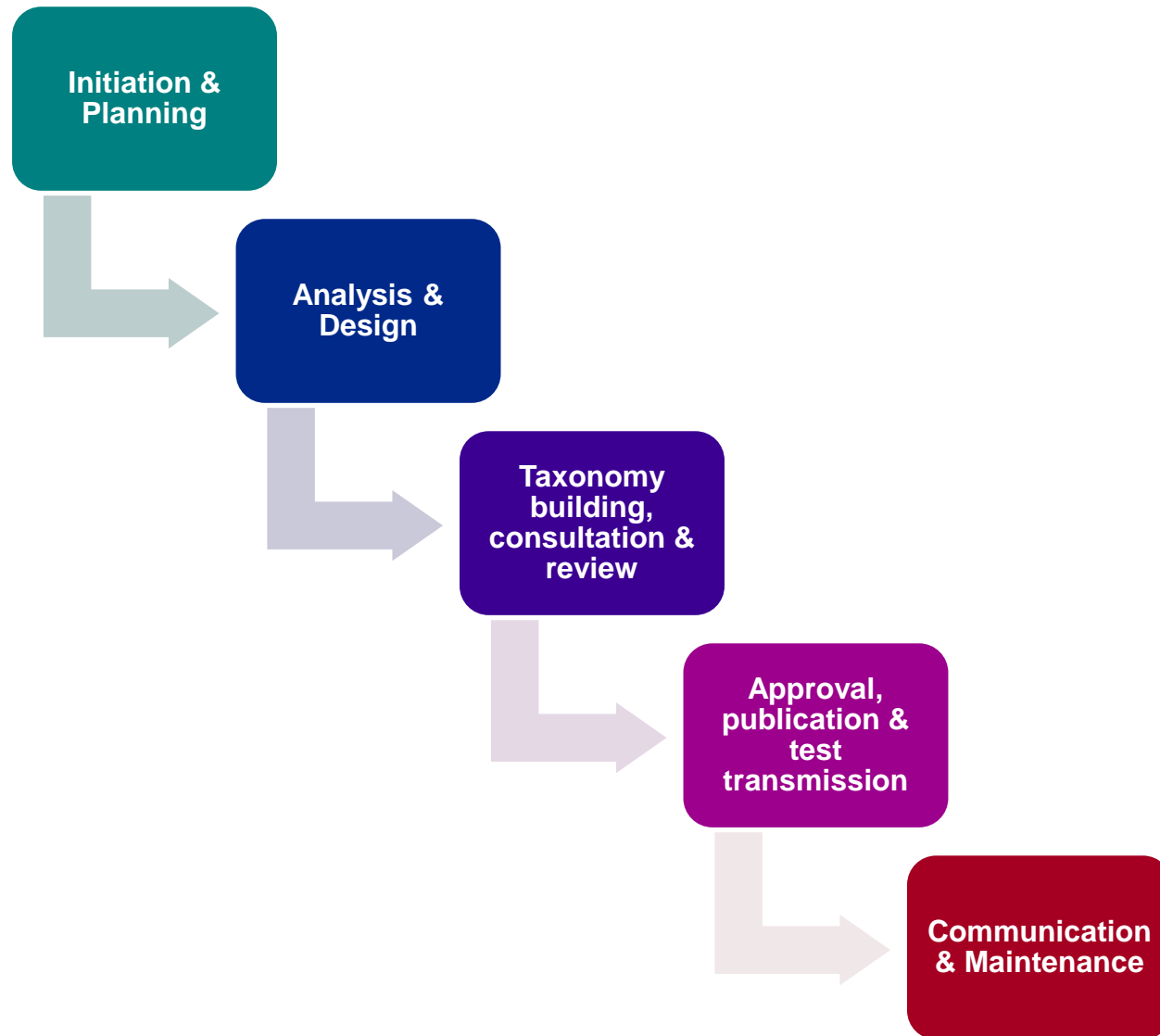
Taxonomy types

- Extension taxonomies
- ECB standalone taxonomies

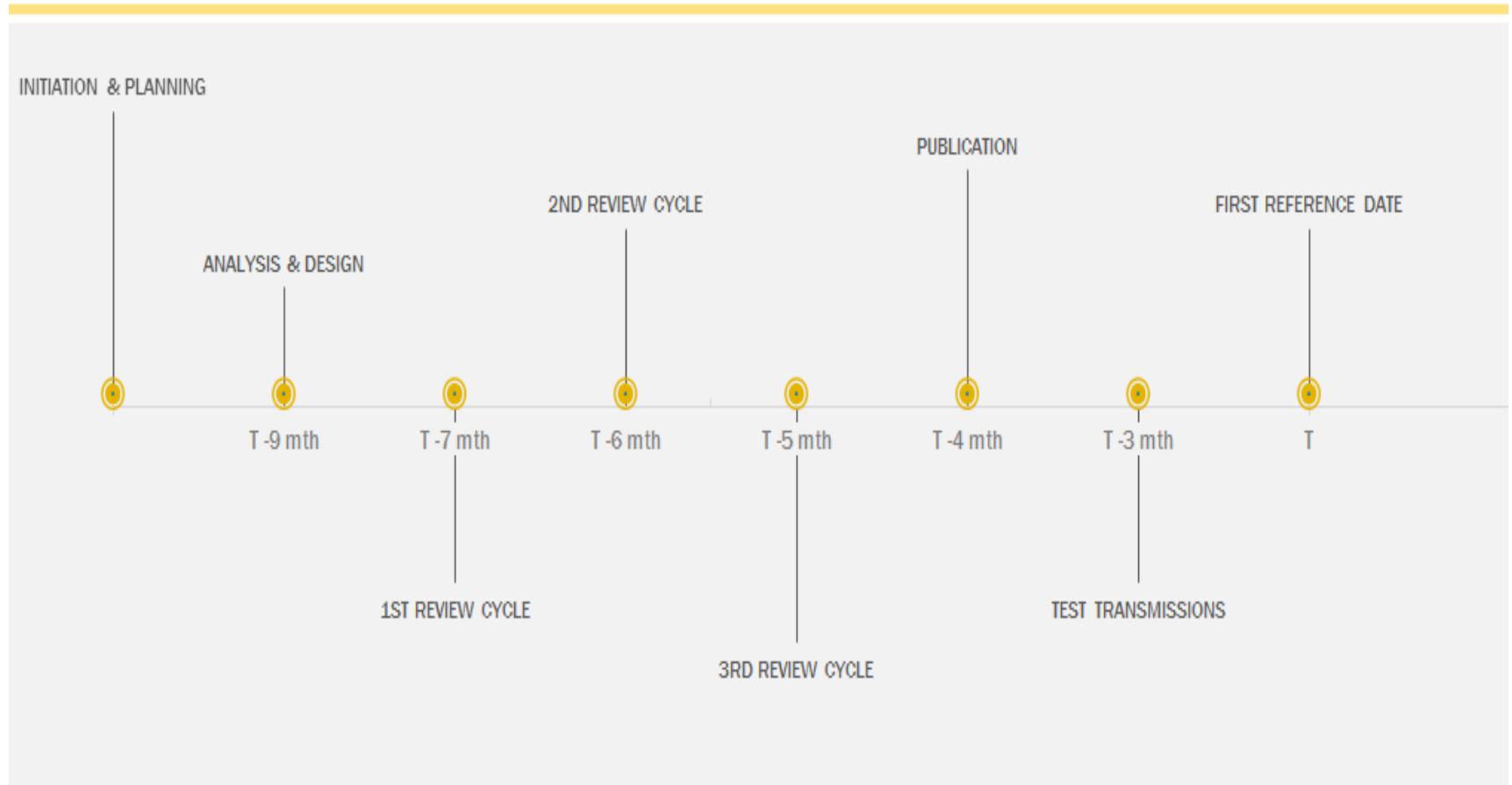
4. ECB Taxonomy Governance (cont'd)

- The initiation of a new ECB taxonomy development cycle is based on ECB Regulations, stipulating the legally binding reporting requirements to the NCAs/NCBs
- ECB DG-S/SAT, in coordination with the ESCB WG SIM-SSM seek approval from the ESCB Statistics Committee (STC) on the proposed XBRL implementation timeline
- The outcome of the planning stage shall be a timeline for all deliverables, including milestones for the development review and testing of the new taxonomy.

4. Taxonomy Development Cycle



4. Timeline of the taxonomy development cycle



T: First reference date; **yr**: year; **mth**: months

Thank you for your attention!

Questions?

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