CRD IV Harmonised Reporting Technical Update

11 June 2012

Submission process (1)

- **The FSA intends to make only two channels available for firms to submit COREP/FINREP regulatory returns.**
  - Direct Communication (B2B) and Web Upload.
  - Online (Web) and Offline (Adobe PDF) will not be available.
- **Both channels will only accept XBRL instance documents.**
  - XBRL documents must comply with the EBA published taxonomies.
- **If a valid submission is received via Direct Communication, it will be committed.**
  - Firms would need to request resubmission to make changes, as currently.
- **Web upload may support the staged approach as currently exists.**
  1. Firm user/software uploads document to draft status.
  2. Firm user initiates validation online and is notified of results.
  3. Firm user submits the valid return.

Submission process (2)

- **The FSA benefits from supporting firms in their efforts to implement technical solutions for data provision.**
  - A document instance checking process may be available, subject to need, viability and benefit.
    - e.g. external party sends a test file to the FSA via email.The FSA checks for compliance and returns findings via email.
  - The test (trial) GABRIEL service will be made available as soon as practically possible.
    - For external parties to connect and test their solutions and procedures.
- **System documentation will be updated where appropriate.**
  - External deliverables will be referenced where possible and mitigate the risk of misinterpretation.
    - e.g. EBA and Eurofiling publications relating to Policy and Technical artefacts.
- **Note that the EBA is understood to be delivering a single XBRL Taxonomy for COREP and separately a single XBRL Taxonomy for FINREP.**
  - Though integrity with the source Policy based business templates will be preserved the individual templates (tables) will not exist as specific returns/forms.
  - The FSA is considering what this might mean to the submission process.
    - e.g. all or nothing provision of data or partial taxonomy submission template by template

Validation (1)

- **The FSA expects the EBA to reflect the ITS validation rules in the form of XBRL Formula Linkbase.**
  - Firms will be expected to confirm that their XBRL instance documents are compliant with the taxonomy before submission to the FSA. This should be possible using a range of products available in the software market.
  - These will additionally be implemented automatically into the FSA's GABRIEL system through the use of the EBA published Taxonomies.

- **Use of the EBA Taxonomies may preclude the current implementation of prescriptive scheduling rules used with existing FSA data items.**
  - Ultimately firms are responsible for ensuring compliance with their legal obligations under the binding laws resulting from the legislation, including scope and remittance dates.

- **The FSA is yet to confirm what level of additional validation, if any, will be required before a regulatory return can be classified as a 'valid submission'.**
  - This may require the FSA to check compliance with remittance dates, applicability and proportionality rules before designating a regulatory return as a valid submission.
  - Some such checks may only be possible once the regulatory return has been 'accepted' and passed through for further contextual and/or plausibility analysis.

Validation (2)

- **The FSA is yet to confirm what level of additional validation it will undertake, and at what stage in the process.**
  - It is unlikely the legislation will allow national validation rules that enforce stricter controls which designate a submission as not compliant with EU policy.
  - Supervisory analysis will continue to be required in line with the FSA, and future FCA/PRA, regulatory processes.

- **It is unlikely that the FSA will extend the EBA Taxonomies for the initial implementation.**
  - The existing Business Rules Engine will be used where additional processing is required at the stage of data capture (GABRIEL).
  - Business intelligence analytical tools are likely to be used where such checks as trending, peer analysis, supervisory judgement and interpretation are required.
  - Further adoption of XBRL for CRD IV, other GABRIEL regulatory reporting or other purposes is to be determined.

EBA timeline

- **EBA timeline**
  - DPM and Taxonomy are expected first for FINREP followed by COREP.
  - FINREP will be used to prove the Taxonomy development process.
  - Process and proposals will be presented at the 15th Eurofiling Workshop on 31 May to 1 June 2012 in Madrid.

Change management

- **Communication with the EBA IT Sounding Board suggests regular updates to COREP and/or FINREP technical implementation.**
  - Possibly as frequent as quarterly releases of DPM and/or Taxonomy during bedding in period.
  - To deliver corrections and additions.
  - Formal releases expected in alignment with policy change and evolution.
- **The FSA hope to minimise impact on its own systems through maximising unadulterated use of EBA deliverables.**
- **The FSA is in discussion with the EBA IT team over versioning.**
  - Versioning has been built into the DPM which will drive Taxonomy change and enable re-publication of new versions.
  - Submission and re-submission must be compliant with the specific DTS associated with the remittance period.

Annex 1: GABRIEL Solution Impact