

# Governance of Taxonomy Releases and Schedule 2016

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## *About this document*

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# I About this document

## I.1 Applicability

This document provides a general plan for the taxonomy development and governance and is applicable from date-of-publication onwards. It constitutes the baseline until the end of 2016 and for next years.

## I.2 Background

Reporting requirements are an important part of the Solvency II legal framework. The Directive 2009/138/EC in article 35 (article 254 for groups) requires insurance and reinsurance undertakings to submit to the national competent authorities (NCAs) the information which is necessary for the purposes of supervision. The elements of the regular supervisory reporting are defined in article 304 (article 372 for groups) of the Commission Delegated Regulation (EU) 2015/35 and the templates for the submission of information to the supervisory authorities are defined the implementing technical standard on reporting. EIOPA guidelines provide further detail on the information expected in the Regular Supervisory Reporting. The requirements for submission of information apply to insurance and reinsurance undertakings and to participating insurance and reinsurance undertakings, insurance holding companies or mixed financial holding companies (groups) regarding information at group level.

The role of EIOPA regarding collection of information is defined in article 35 of EIOPA Regulation (1094/2010). The article 35 stipulates that at the request of EIOPA, the NCAs shall provide the Authority with all the necessary information to carry out the duties assigned to it by that Regulation. The scope of information to be provided by NCAs to EIOPA has been determined by the Decision on Collection of Information by EIOPA under Solvency II adopted by EIOPAs Board of Supervisors on 30 October 2015.

## I.3 Underlying regulations

The DPM and taxonomy is based on the following materials:

- The implementing technical standards with regard to the templates for the submission of information to the supervisory authorities according to Directive 2009/138/EC ([ITS](#)),
- the ITS on Special Purpose Vehicles ([ITS](#)),
- the Guidelines on Financial Stability Reporting ([Guidelines](#)),
- the Guidelines on Third Country Branches ([Guidelines and annexes](#)),
- Unofficial reporting templates including ECB add-ons ([ECB add-ons](#)).

## I.4 Related technical documents

All documents for v2.0.1 are available on the EIOPA's [website](#):

1. The [Release notes](#),
2. [The DPM Dictionary](#) and [Annotated Templates](#) workbooks
3. The [detailed change log](#)
4. [The DPM documentation](#)
5. The [List of validations](#)
6. The [Solvency II validation syntax](#)
7. The [XBRL taxonomy](#) and [XBRL instance examples](#)
8. The [XBRL taxonomy documentation](#)
9. The [XBRL Filing Rules](#)
10. The [DPM database](#)

## I.5 Dictionary of main terms

Reporting framework: in the context of this document this refers to specific requirements defined by laws/EIOPA Guidelines including quantitative reporting requirements to be covered by the taxonomy, e.g. Prudential, Financial Stability, Special Purpose Vehicles, and Third Country Branches. Each of them can be understood as individual reporting frameworks.

Business Experts: are the business experts or relevant working groups in charge of the development of one reporting framework.

BoS: EIOPA's decision body, Board of Supervisors

EC: European Commission

MoU: Memorandum of Understanding

DA: Delegated act

CfA: Call for Advise

ITS: Implementing Technical Standard

## II General Schedule of taxonomy releases

As a general rule EIOPA plans one taxonomy release per year and aims to minimise the number of taxonomy publications and it **is expected that in regular years (most of the years) only one release will occur.**

However, in extraordinary circumstances, for example in years with a high degree of business changes or when a released taxonomy contains serious technical defects, a second, purely corrective release may be needed. As a precautionary measure, this potential release is included in the yearly schedule to aid planning.

Also, in years without any business changes or defects to be resolved, there will be no taxonomy release.

The DPM and XBRL taxonomy are planned to be updated up to twice a year as follows:

**At most, one adaptive publication.** An adaptive publication is needed in case of business changes due to a new reporting framework, or amendments to the existing ITSs or EIOPA Guidelines; it may include also new checks and/or taxonomy architectural changes bug fixing.

- Publication of Taxonomy PWD version for stakeholders review by 1 June of n year. The stakeholders will have up to 4 weeks to provide feedback.
- Publication of official DPM and Taxonomy version for reporting submission by 15 July of n year.
- First submission with new taxonomy would be Q4 of year n (6 months before reference date and 8 months before submission date)

**At most, one corrective publication per year.** The corrective publication will only include corrections to serious defects in the implementation or corrections to defects without impact<sup>1</sup> in the report generation process, but no new business requirements. It is expected that in the majority of years, i.e. in years without major business change, the ITDC may decide to skip the corrective release. However it is important to plan a placeholder for it to ensure all stakeholders are aware it may be released. The plan for this is as follows:

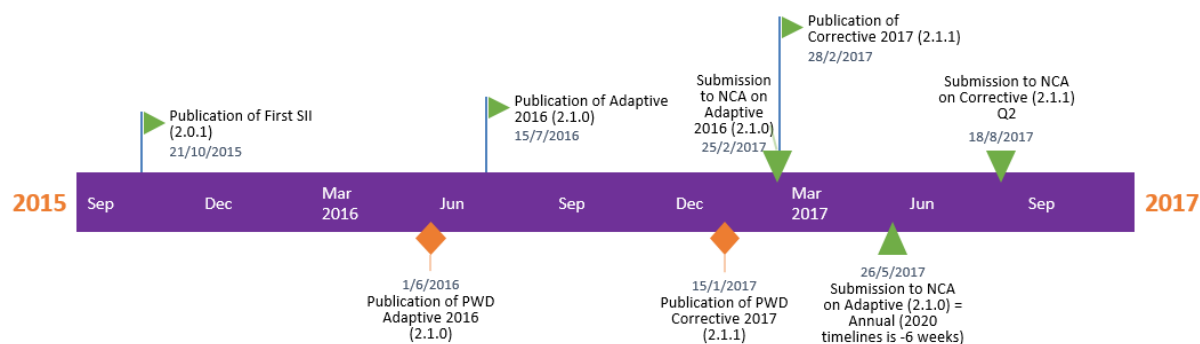
- Confirmation by 1 December if a corrective release will be published or will be skipped.
- Publication of Taxonomy PWD version for stakeholder review by 15 January. Stakeholders have four weeks to review and provide feedback.
- Publication of official DPM and Taxonomy version for reporting submission by 28 February.

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<sup>1</sup> Example of correction without impact is label corrections, assertion amendments or in general corrections which are solved with taxonomy formulas to convert non fixed reports to fixed. Therefore having very minor impact to the XBRL instance generation processes.

- First submission with new taxonomy would be Q2 of year n (submission by August).

### III 2016 Detailed Schedule



Please note that in 2016, a corrective release will not be published. Only an adaptive release will be published. Therefore all of the issues detected to date will be corrected with this adaptive release.

	Confirmed information
	Information to be confirmed

Vers num.	Release date	First reference date	Purpose	Business alignment	Main changes	Comments
2.0.0	31/07/15	N/A	Testing	Set 2 of the Solvency II ITS and Guidelines after public consultation		
2.0.1	21/10/15	31/12/15	Production	Set 2 of the Solvency II ITS and Guidelines submitted to European Commission in July. Includes business amendments on the outcome of the Public Consultation and full set of validations.	Inclusion of amendments and business rules. See release notes for details.	For 2016 Q1-Q3
2.1.0 PWD	01/06/16	N/A	Testing	Adaptation following the Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2015/35 concerning the calculation of regulatory capital requirements for several categories of assets held by insurance and reinsurance undertakings and business amendments	Business changes. All bug fixing documented in the list of known issues. Implementation of XBRL severity specification.	IT implementation for testing
2.1.0	15/07/16	31/12/16	Production	Adaptation following the Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2015/35 concerning the calculation of regulatory capital requirements for several categories of assets held by insurance and reinsurance undertakings and business amendments	Bug fixing respect 2.1.0 PWD	For 2016 Q4 and Annual and 2017Q1
2.1.1 PWD	15/01/17	N/A	Testing	TBC	TBC	IT implementation for testing
2.1.1	28/02/17	31/06/17	Production	TBC	TBC	For 2017 Q2-Q3
2.2.0 PWD	01/06/17	N/A	Testing	Future adaptation (if any) following a Commission Delegated Regulation amending Commission Delegated Regulation (EU) 2015/35 concerning Infrastructure Corporates following EIOPA Advice	TBC	IT implementation for testing
2.2.0	31/07/17	31/12/17	Production	TBC	TBC	For Q4 and annual 2017

# **I Annex I. Taxonomy governance**

## **I.1 BoS decision on using XBRL taxonomy for reporting data transmission to EIOPA**

The BoS decision of October 2011 mandates: EIOPA BoS adopted the decision to use XBRL on a mandatory basis for the data exchange between NSA and EIOPA.

## **I.2 Description of creation or update of business requirements (business requirements templates, instructions and validations)**

This point aims to explain in plain words the general process of creating business requirements in future.

Any change to the Solvency II reporting requirements will need to be implemented through a review of the Implementing Technical Standards, with all the legal consequences foreseen in the legislation (draft by EIOPA, public consultation, endorsement by the COM).

Currently we can envisage two main drivers for a review of the ITS:

- Reactive review of the ITS following a revision by the EC of the SII Directive or DR;
- EIOPA own initiative review. This may follow:
  - o A regular review as part of the monitoring process;
  - o A reaction to a market development or supervisory need.

As an example of the first main driver, EIOPA has the amendment to the DR currently under scrutiny of the EP and is expected to be published in the Official Journal at the beginning of 2016. In addition a second CfA submitted to EIOPA will lead to a new amendment of the DR during 2016.

EIOPA own regular reviews are expected to follow the monitoring process and it is expected this will happen only once NCAs and EIOPA have enough information to analyse and discuss potential improvements (probably not before 2 years of data is available to base this analysis on).

EIOPA's own reviews based on market developments or new supervisory needs are difficult to predict and will have to be discussed as and when the need is established.

The process would need to follow the following steps, regardless of the driver for new business needs:

1. Discussion with Members of the amendments to be introduced (it might be amendments to current QRTs, new QRTs or deletion of QRTs);
2. Development of the Consultation Paper;
3. BoS approval of the Consultation Paper;



4. Public Consultation for 12 weeks as default<sup>2</sup>;
5. Discussion with Members of the Final Report of the public consultation;
6. BoS approval of submission to EC of the draft ITS;
7. COM steps towards publication at the official journal of the European Union.

Due to the strong link between the reporting requirements defined for Solvency II purposes and other reporting requirements defined by Guidelines, EIOPA may need similar processes of revision of Guidelines in parallel to this process..

In addition it should be noted the following steps need to be added to the process with regards to the EIOPA Guidelines:

8. Translation of the Guidelines into all official languages;
9. Comply or Explain Exercise.

Particular case of review of business validations

Business validations are implemented through EIOPA Guidelines on Reporting and public disclosure. Guideline 34 states "Insurance and reinsurance undertakings should ensure that the data submitted in the quantitative reporting templates comply with the validations rules published by EIOPA".

Regardless of this specific nature it is expected that any change to this set (excepting mistakes identified) follow a process similar to an amendment of a Guideline.

### **I.3 ECB requirements**

Complementary to the EIOPA's reporting requirements, was agreed with the ECB agrees to include the ECB requirements of the "Unofficial reporting templates that include the ECB add-ons ([ECB add-ons](#))" within the Taxonomy. The approach aims to minimize the burden for undertakings by allowing them to create single reports covering both EIOPA's and ECB's requirements in one process (subject to NCA guidelines).

In this document, 'non EIOPA requirements', for example those of the ECB are mentioned but are not specifically covered. The general process detailed in this document will apply differently for ECB requirements than for EIOPA's requirements.

### **I.4 Lead time needed for developing DPM and Taxonomy**

The Data Point Model (DPM) and the XBRL taxonomies cover all the regulatory quantitative reporting frameworks<sup>3</sup> in a harmonised form. This currently includes the

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<sup>2</sup> Although it could be less if needed.

<sup>3</sup> Reporting framework is understood as an individual legal act with reporting requirements: E.g. Prudential, FS, SPV, 3CB, etc. Each of them is understood as individual reporting frameworks.

different ITS<sup>4</sup>, EIOPA Guidelines<sup>5</sup> and [Unofficial reporting templates](#) including ECB add-ons and is foreseen to include any future reporting requirements.

During this time the DPM and the business validations are developed iteratively in parallel with the reporting framework.

A reporting framework is considered finalised from business perspective when the business experts flag the package (business templates, business instructions, DPM and validations) as final for the Taxonomy implementation<sup>6</sup>, at which point the actual Taxonomy development can start, and in general, no changes will be accepted to the framework reporting requirements at this stage.

Taxonomy development may take approximately twelve weeks and are divided into the phases below.

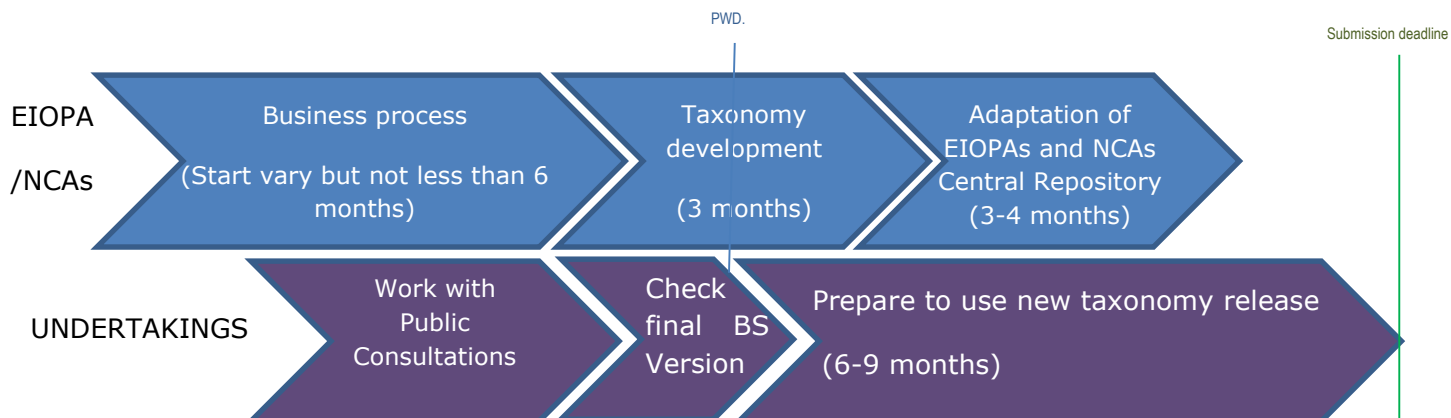
1. Six weeks for the implementation of a first Public Working Draft (PWD). The PWD are been published for technical consultation and quality assurance purposes, however draft versions for members should be made available during the implementation.
2. Publication of the PWD to be reviewed by stakeholders (NCAs, Reporting Entities, and solution providers). A minimum of four weeks (six when is delivered during summer vacations) of review and feedback should be afforded to stakeholders.
3. Two weeks for the feedback consolidation and preparation of the official version for report submission.
4. Publication of the official version to be used for report submission.

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<sup>4</sup> ITS on [Regular Supervisory Reporting](#) and [Special Purpose Vehicles](#).

<sup>5</sup> Guidelines in [Financial Stability](#), [Third Country Branches](#) and [annexes](#)

<sup>6</sup> Normally the package would be flag as final for implementation after the BoS approval of the relevant ITS or Public Guidelines documents.



**Figure 1 - High level timeline from business change to preparedness for reporting.**

### I.5 Process for defining new set of validations for EIOPA's Taxonomies

Validations are defined in this document as business data checks that are applied to a dataset of the quantitative reporting templates. From legal perspective the business validations are publicly documented<sup>7</sup> and enforced in the ITS or EIOPA Guidelines of the corresponding frameworks. However, in order to facilitate the implementation of the Taxonomy, EIOPA will also make them all available in single workbook known as the 'List of Validations'.

The 'List of Validations' is made available on the "Reporting formats: DPM, XBRL and Validations" [website](#) and will be regularly updated following the principles and processes outlined below, in particular the process of creating, amending or deactivating validation rules.

#### Concepts:

- **Business validations:** are the explicit structured business data checks defined by business experts and which must be approved by relevant business working groups and EIOPA's BoS. E.g.: BV330\_1 {r1000}={r0500}-{r0900}, with the error message: The item "Excess of assets over liabilities" is different from the "Total assets" minus "Total liabilities".
- **Technical validations:** are explicit or implicit structured data checks defined by the Taxonomy team and approved by the ITDC and the EIOPA's BoS. These technical validations are not including new business requirements but ensuring that existing business requirements or the necessary technical requirements are met. These technical validations normally are consequences of the technical implementation,

<sup>7</sup> In Guidelines on Reporting and public disclosure, Guideline 34 states "Insurance and reinsurance undertakings should ensure that the data submitted in the quantitative reporting templates comply with the validations rules published by EIOPA". In Guidelines on reporting for financial stability purposes specific data checks are included in Annex C

therefore most of them only apply to reporting made with EIOPA's XBRL taxonomies but not by other means. There are two main categories:

- Technical validations implemented as XBRL assertions: these are part of the List of Validations and are implemented within the taxonomy (normally with XBRL assertions). Examples of technical validations are: the ISIN code is properly formatted (Start with two letters) or the filing indicators are aligned with the business content template (S.01.01).
- Technical validations defined as Filing Rules: these are guidelines and rules defined in a single public document. Filing Rules detail additional technical constraints on the generation of XBRL reports that cannot be imposed by a taxonomy.. Rules are categorised according to their severity. MUST rules are mandatory<sup>8</sup>.

### **I.5.1 Creation of new business validations**

In addition to the business requirements process described in section, the following points should be considered when creating new validation rules to be included in the XBRL Taxonomy:

- Rules are defined and approved by the relevant business experts and working groups within the List of Validations Excel, and according to the EIOPA's validation syntax, with the support of the DPM and Taxonomy experts.

### **I.5.2 Creation or modification of new technical validations**

The creation of technical validations is part of the process of creating new or updating existing XBRL taxonomies. The following points should be considered for validation rules to be included in the XBRL Taxonomy:

- Rules are defined by the DPM and Taxonomy experts within the 'List of Validations' spreadsheet and according to the EIOPA's validation syntax.
- Rules are sent to the impacted relevant business experts and groups for review.

### **I.5.3 Correction of mistakes or deactivation of validations**

The correction of mistakes or deactivation of validation rules is a process that begins when an implemented validation is identified as potentially erroneous. The correction of mistakes or deactivation process should be completed in a timely fashion as erroneous validations may prevent the submission of valid files

- Potential issues with business or technical validations need to be submitted to the relevant functional mailbox ([S2@Eiopa.europa.eu](mailto:S2@Eiopa.europa.eu) and [XBRL@Eiopa.europa.eu](mailto:XBRL@Eiopa.europa.eu)).

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<sup>8</sup> See point of Filing Rules in Central Repository. Filing rules may differ between L1 and L2, being L2 less restrictive.

- Relevant experts (depending on the issue, business or technical) and relevant working groups shall analyse the potential issue in order to confirm the need for amendment of mistake or de-activation or discard it.
- An internal EIOPA process in collaboration with the National Competent Authorities is followed and eventually may result in an update of the list of known issues and/or the list of validation in the EIOPA's [reporting formats website](#)
- It is responsibility of the NCA and EIOPA's CR repository to take the necessary actions to deactivate the rules on the date of publication.
- Every taxonomy publication will remove all confirmed deactivated validations, at least 5 days before the official publication<sup>9</sup>.
- The EIOPA website offers a mechanism ([RSS feed](#)) to automatically receive notification when the documents are updated.

BoS procedure:

- For each taxonomy publication the full validations list will be approved by the EIOPA's BoS.

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<sup>9</sup> It is important to note that even those validations that are marked as deactivated in the List of Validations may be processed by an XBRL validator. It is a task of users and solutions to utilise the information from the List of Validations and discard the results related with the deactivated validations