



THE XBRL NETWORK OF THE  
COMMITTEE OF EUROPEAN BANKING SUPERVISORS

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XBRL Team  
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**Abstract:**

**Answers to the Request for Information on the IFRS Taxonomy, dated 15 July.**

First of all, We would like to remark the fact that our opinion not only represents the opinion of the authors of FINREP and COREP taxonomies and its national extensions, but probably also the opinion of people involved in the design and maintenance of the systems processing the instance documents submitted by European credit institutions. Our opinion might also reflect the feedback on the difficulties and reluctance to the adoption of XBRL by some of these credit institutions so far.

**Concept naming and change management**

Regarding the criteria for element names, **our opinion is that R3** is, almost beyond doubt, the best approach. The impact of changes on preparers of instance documents and the complexity they must face are our deepest concern. A simple and stable concept naming approach is a key issue.

The concept naming issue is not new to us. It was first presented in our network during the 9th COREP/FINREP workshop in Paris in September 2008. During that workshop, two different members raised the problems of handling long names. During the FINREP plenary session in Madrid in April 2009, there was a consensus by all members on using a short codification for the next FINREP 2012 version. A first draft on the specific naming convention to be used was discussed in our meeting in Paris this year and included in our draft taxonomy architecture.

So far, we all have been blindly following FRTA's approach (R1). But this approach, as stated in your RFI, lacks stability since concept names are susceptible to terminology changes, which have an impact, not only on extensions, but on instance preparers. Although the inclusion of a versioning report can soothe this problem, the versioning

specification is in an early status and it will take still quite some time to be widely supported.

R2 solves this stability problem by freezing concept names once the taxonomy is published, but this solution produces some inconsistencies: eventually, some concept names will diverge from their latest labels whereas other ones will be in sync. This introduces an additional confusion factor that can become even more complex if extensions follow a similar approach. Moreover, the terminology used once can have conflicts with later terminology approaches.

Concept names are the codes that irrevocably link the data reported in an instance document with its definition in the taxonomy. The naming convention used must provide the necessary stability and must not be based on criteria that are likely to change over time. Labels of concepts have proven to be unstable. This is the root of the problem with R1 and R2.

There is no meaning associated to the concept name according to the XBRL specification. The semantics are in schema attributes and mostly in label, definition, presentation, reference and formula linkbases. R3 is a practical and effective solution to this problem that brings additional benefits (not in order of importance):

- The size of instance documents is reduced. This entails a decrease in bandwidth usage, but most importantly, the reduction of memory requirements by consuming applications. Despite of the fact that this reduction can be irrelevant for some applications, the reality is that it can prevent the adoption of IFRS-GP in size critical processes, like those of central credit register offices.
- More efficient database storage. The use of fixed length attributes as key fields is a common IT practice to improve the performance of queries and updates in relational databases. Actually, most members of the CEBS are using an alternative short codification in their databases to store data exchanged in XBRL format. Sometimes, the exchange process with credit institutions is implemented by a mapping from this short codification to XBRL (on the submitter side) and a mapping back from XBRL to this short codification on the receiver side. In fact, this codification is usually familiar to end users and sometimes represented in taxonomies, using labels with a certain role or other approaches. This short codification has become a convenient way of communication with users (for instance, to describe errors).

Similar approaches have succeeded already in different scenarios. IFRS's creation ID has already proven to be useful for the maintenance of the taxonomy. Extending that approach to element names will extend that benefit to instance preparers. Also in IFRS, the use of a number codification for extended link roles is quite convenient.

Regarding the deletion of concepts, we are in favour of **option D1**. Each IFRS taxonomy release must be an accurate representation of its IFRS. If such IFRS replaces previous

IFRSs and some elements are no longer included, those elements should not be part of the main schema in the new release. The inclusion of such elements in the schema will create a mix of official elements and obsolete ones that will mislead users and will increase the maintenance burden. Although the use of an attribute can help to tell current concepts from obsolete ones, that approach is not standard and most software solutions will manage all of the concepts (with or without the attribute) the same way. Extensions or instances required to keep concepts that were valid in previous releases can import previous versions. No compatibility issues will raise, as different releases use different namespaces. It will be clear in the extending taxonomy or instance which concepts belong to the current IFRS and which concepts are imported from a previous release.

### **Extending the use of dimensions**

We have been able to compare the cost of maintenance of FINREP, where the use of dimensions was not possible in some cases for better compatibility with IFRS-GP 2006, and COREP, where the use of dimensions wasn't constrained by external factors. Our experience shows that the use of dimensions clearly improves taxonomies and enhances analysis possibilities. Adding or deleting columns or rows to intersection tables has a higher cost and is error prone. Moreover, fewer formulae are necessary to validate dimensional models, and the mapping from/to databases is simpler.

This is why we are not only **in favour of L1a and L1b**, but we consider them sensitive decisions regarding our future developments. Whereas an extension could choose a different naming schema than the one used by the taxonomy extended (it is not convenient, but it is feasible), the decisions on the way data is modelled, will condition the way extensions can be modelled or the number of concepts that can be reused. This would also be an additional argument to continue FINREP as an extension of IFRS (instead of a stand-alone FINREP).

Regarding **point L2, we are open to such approach but we would like to assess each specific case given its novelty (case by case)**. Nevertheless, steps taken in this direction should be coordinated with major XBRL projects so that we converge towards more interoperable solutions.