

Comments Template on EIOPA-CP-11-002 Technical Consultation on the Solvency II XBRL Taxonomy	
Company name:	BearingPoint
Disclosure of comments:	<p>EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential.</p> <p>Please indicate if your comments on this consultation should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.</p>
Please follow the instructions for filling in the template:	<ul style="list-style-type: none"> ⇒ Do not change the numbering in column "Reference". ⇒ Please fill in your comment in the relevant row. If you have <u>no comment</u> on a paragraph, keep the row <u>empty</u>. ⇒ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below. <ul style="list-style-type: none"> ○ If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies. ○ If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment itself. <p>Please send the completed template to consultation.taxonomy-201107@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).</p> <p>The paragraph numbers below correspond to the document: <i>EIOPA-CP-11-002_Introduction_Taxonomy_Consultation.doc</i></p>
Reference	Comment
General Comment	
10.	BearingPoint is a Management and Technology consulting firm that is the provider of the ABACUS regulatory reporting software suite, which has gained significant market share in the banking industry in Germany and Luxembourg. BearingPoint also provides a Solvency II reporting solution as part of the ABACUS family (ABACUS/Solvency II). BearingPoint's consulting and software development team has implemented and maintained the XBRL interfaces to different regulators for several years. In case of changes and updates by the regulator, our development team adapts the XBRL structures, if required, and delivers the updated structure to ABACUS customers via service packages.
11.	The sample taxonomy uses context and fact-elements to report the data following common practice. Differences exist between the already implemented Basel II taxonomy and the suggested Solvency II taxonomy. The differences noted so far will not pose an extensive amount of additional work.

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11.1.	The reporting data in the QRTs should be mapped in a transparent way to the XBRL taxonomy. This can be achieved by using aligned naming conventions as much as possible in order to increase the readability of the taxonomy. In this way, complexity can be reduced and potential sources of errors can be eliminated. aall
11.1.1.	In general, the introduction of additional hierarchy levels to the taxonomy only should be avoided as this is more difficult to reconcile and to manage in day-to-day business. To the extent we have analysed the documentation provided, hierarchy levels in the QRTs appear aligned with those in the taxonomy.
11.1.2.	The detailed list uses unique context references to link the details of the asset. The uniqueness makes a reconstruction of the asset data possible. This is the commonly used practice.
11.1.3.	The large number of breakdowns is handled by a large amount of context-elements. This corresponds to our expectations and is a reasonable design decision.
11.2.	Generally, the sequence of the taxonomy should follow that of the QRT structure as closely as possible, hence we don't recommend rearranging data or using only selected data in the taxonomy. Additionally, the entire QRT should be represented within the structure of the taxonomy.
12.	
12.1.	While the data model of the ABACUS/Solvency II solution leverages many elements of BearingPoint's ABACUS/DaVinci solution (regulatory reporting for banks), the detailed ABACUS/Solvency II data model is mainly based on the QRT data elements provided by EIOPA/National Supervisory Authorities. The XBRL taxonomy implementation will be conducted by BearingPoint resources who have been working on the ABACUS/DaVinci implementation (Basel II). Significant testing effort will be required to ensure data are reflected in the final XBRL file with 100% accuracy. In addition to our internal testing efforts, we expect 'dry run' testing efforts together with the National Supervisory Authorities to verify that the XBRL taxonomy is implemented according to specifications.
12.2.	As stated above, BearingPoint has many years of experience in regulatory reporting in the banking industry and hence, we have frequently implemented new and changed regulatory reporting requirements. The implementation effort is mainly related to the complexity of the XBRL structures. Based on the sample provided, we estimate 100 to 200 days of implementation effort. In addition, we see our efforts in particular in the area of test case

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	<p>definition, test execution and documentation. We estimate an additional 100 to 200 person days of testing effort related to the alignment of XBRL taxonomy with the ABACUS/Solvency II solution.</p>
12.3.	<p>Based on our experience with the development work for our ABACUS/DaVinci (banking solution) and our ABACUS/Solvency II solution in combination with our internal resource capacity, we estimate an implementation timeline (including testing) of several weeks.</p> <p>The timeline to update the currently-available QRTs and taxonomy to the final version is of course highly dependent on the number of changes/additions EIOPA will introduce.</p>
13.1.	<p>By nature, a stable taxonomy and stable reporting requirements lead to less effort in software maintenance. However, as we have experienced during the BASEL II implementation, multiple changes and adjustments will most likely be introduced after the initial Solvency II reporting cycles. We will manage future Solvency II reporting changes in a similar way to how we currently update our banking solution. Changes in the taxonomy will be analysed and implemented by BearingPoint and rolled out to our customers on a regular basis (or ad-hoc, if needed).</p>
13.2.	<p>Business changes also require new data items and thus trigger new QRTs or adjustments to existing QRTs. With our ABACUS/Solvency II solution, roughly 5% of business-related changes (e.g. QRTs, taxonomy, and validation rules) can be implemented as part of our regular maintenance processes. If changes greater than 5% are required by the regulator, we normally set up a dedicated project and development team. We might also ask our customers for additional fees, if significant changes to the software have to be applied. (e.g. based on regulatory changes)</p> <p>In addition to efforts caused by updates to the ABACUS/Solvency II solution (QRT reporting), insurers may have to adjust their feeder systems (e.g. risk management, claims) to generate additional data or higher data granularity. The costs related to feeder systems can be much higher than the efforts to adjust the ABACUS/Solvency II solution.</p>
13.3.	--
14.	<p>A standard taxonomy and the underlying QRT structures are an important structural element of QRT reporting tools. Both elements have an impact on the data model, thus their design and implementation needs to be carefully planned.</p> <p>Based on our experience in the banking industry, we also see a strong need for data validation on both sides, by the insurers and by the national supervisory authorities. In order to have consistent data, both parties will need to rely on a</p>

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	comprehensive set of validation rules to support an efficient and timely data quality check. The log files provided along with the QRTs already give a first indication of which cross checks will have to be applied. Data validations are also a driver of effort and complexity.
15.	<p>(1) Reporting requirements are still subject to some uncertainties and may also be subject to further changes in the future depending on company-specific developments (e.g. use of an internal model instead of the standard model). Resulting risks: higher costs and time pressure due to adaptations of the taxonomy during implementation.</p> <p>(2) The stability and usability of the taxonomy depends to a large degree on the uniqueness of context references. Resulting risks: undetected inconsistencies in the current definition of the taxonomy; company-specific inconsistencies introduced by company-specific codes in addition to current definitions of taxonomy.</p> <p>(3) In addition to Solvency II reporting requirements, insurers are subject to numerous other reporting requirements. Resulting risks: Duplication of reporting effort on both a content and technical level (e.g. different interfaces).</p> <p>(4) To maintain a high level of data consistency and quality, we see the need for a comprehensive set of validation rules. Expectations of EIOPA and the National Supervisory Authorities regarding data validations should be made clear. Resulting risks: Data consistency issues on both sides, by the insurer and the National Supervisory Authorities.</p>
16.	--
18.	As long as a unique identifier is used, the typed dimension paradigm can be used.
19.	--
20.	The rules for label construction are relatively broad and not detailed enough to provide extensive feedback. In general, the usage of non-standard signs should be avoided to increase interoperability and readability.
21.	We agree.