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eiopa
EUROPEAN INSURANCE
AND OCCUPATIONAL PENSIONS AUTHORITY

Update on Taxonomy Release version 2.2.0

EIOPA Insurance & Reinsurance Stakeholder Group meeting
Frankfurt, 29 March 2017

Update on Taxonomy Release version 2.2.0



- With the document “Governance of Taxonomy Releases and Schedule 2017” published in December 2016 EIOPA released two important communications:
 - The 2.1.1 corrective release would not be published in February 2017;
 - Only an adaptive release would be published. Therefore all of the issues detected to date would be corrected in the 2017 adaptive release.

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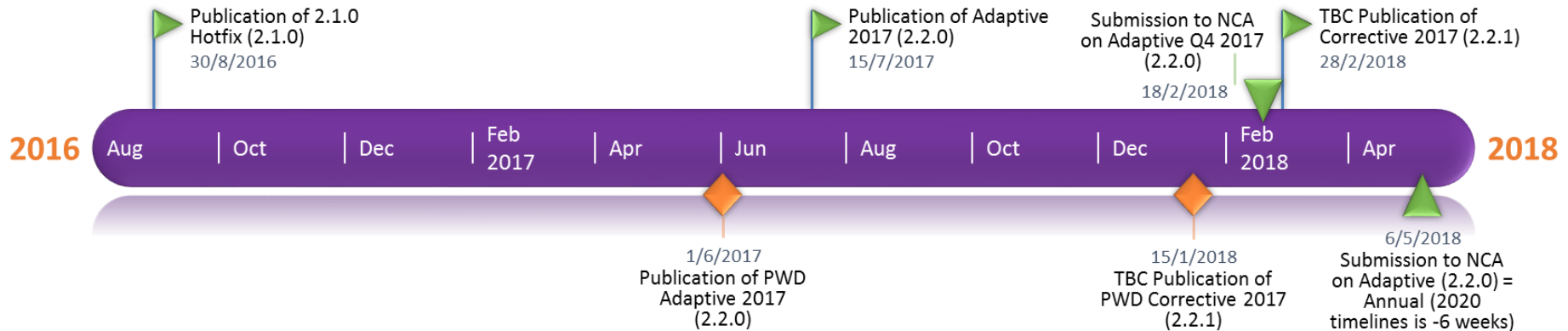


- Following the process previously defined the publication for such a Taxonomy version is:
 - Publication of Taxonomy Public Working Draft version for stakeholders review by 1 June of 2017. The stakeholders will have up to 4 weeks to provide feedback;
 - Publication of official DPM and Taxonomy version for reporting submission by 15 July of 2017;
 - First submission with new taxonomy would be Q4 of year 2017.

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- 2017 Detailed Schedule:



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- The new taxonomy version MAY reflect (topics under discussion/preparation):
 - Bug fixing: list of known issues and validations temporary deactivated will be amended;
 - Revision of XBRL Filing Rules;
 - Technical validations of the LEI codes, reference dates, multicurrency checks;
 - Publication of the list of validations (deactivations) in a way that could be consumed by IT tools;
 - Designed to cover the reporting of special cases;
 - Improvement of the versioning mechanism of Dictionary/hierarchies;
 - Other improvements are under discussion.

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- From a business perspective:
 - Requirements are stable since last amendment in 2016;
 - Q&A tool has been used to clarify implementation of the reporting and disclosure requirements;
 - EIOPA's Q&A tool can be used by all parties, including financial institutions, supervisors and other stakeholders, for submitting questions on particular regulatory tools that have been published by EIOPA;
 - The objective of the Q&A tool is to ensure the consistent and effective application of the regulation in the EEA.

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Clarifications or corrections?

- Mostly clarifications, but... some mistakes as well found

What then?

- The Legal text (in this case the ITS) is binding and prevails over other non-binding type of texts;
- In cases where mistakes are identified, legal texts need to be corrected or completed. Legislators envisage specific processes for this;
- In the interim period when the mistakes have not yet been amended, in order to provide legal certainty, other tools, such as the Q&As, opinions, best practices or recommendations can be used.

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Considering the timing of the Taxonomy and the number of mistakes and relevant clarifications published under Q&A tool, **EIOPA is considering proposing to the COM an amendment to the ITS on Reporting and Disclosure:**

- This would bring legal certainty to the issues corrected/clarified through Q&A;
- In the area of reporting legal certainty and correctness of instructions are crucial as the mistakes identified have to be addressed in the IT systems, sometimes in an automatic way but more frequently to overcome them by manual processes for every report, which imply costs to undertakings;
- Would allow EIOPA to keep up-dated consolidated Instructions available in the website.

Legal approach:

- The correction of the ITS would not have the format of a Corrigendum but rather of an amendment;
- It would probably have two types of provisions: an amending provision and a corrective provision. The amendment provision would cover the corrections that even if identified as corrections might have an implementation impact in the industry;
- All the other corrections would be under a corrective provision (similar approach to the one taken in the infrastructure amendment).

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Process:

- Window of opportunity with the publication of the Taxonomy;
- Considering the proportionality and urgency of the issues at stake EIOPA would perform a proportionate public consultation;
- Approach presented at IRSG meeting;
- Public event in mid-April to present the documents and allow for a short period of informal consultation;
- 1 June – publication of PWD of Taxonomy consulted with all proposals included;
- Final ITS amendments to be sent to COM in July 2017 for endorsement (and publication of Taxonomy).