COREP Taxonomy

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Abstract

This document describes information relating to the COREP taxonomy. This taxonomy creates an XBRL representation of the Committee of European Banking Supervisors (CEBS) Common Reporting Framework.

Status

This is an Internal Working Draft whose circulation is restricted to members of the COREP working group and XBRL working groups.

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1 Introduction

The Committee of European Banking Supervisors has decided to achieve a common solvency ratio reporting framework, called COREP (Common Reporting), for credit institutions and investment firms under the future EU capital requirements regime. The work is primarily focused on regulatory own funds and Basel Pillar I capital requirements, credit risk, operational risk and market risk. The aim is to reduce the reporting burden on firms and encourage an increased level playing field across Europe. Please visit www.c-ebs.org

CEBS also intends to provide a XBRL taxonomy for the supervisory solvency reporting. The work is supported by leading European XBRL experts of various XBRL jurisdictions and is expected to be finished by end of June 2005. This provision is not intended to prejudice any national decisions about the means of reporting transmission. National supervisors–in consultation with their industry–will be free to choose whatever transmission process or processes are to be used.

This document describes information relating to the COREP taxonomy. This taxonomy creates an XBRL representation of the Committee of European Banking Supervisors (CEBS) Common Reporting Framework. COREP is the common solvency ratio reporting framework for credit institutions and investment firms under future EU capital requirements regime. Please visit www.corep.info

XBRL is an XML standard for the exchange of business information.

This taxonomy documents a XBRL-based exchange of COREP data between regulated entities to supervisors.

This document is created using ISO 9126 based quality plan was used to create this taxonomy and its documentation.

1.1 Authority

This taxonomy is created by the ad hoc task force mandated by the COREP group of the Committee of European Banking Supervisors (CEBS).

1.2 Goals of this document

The goals of this document are to:

- Explain the requirements and reasoning used to decide how to create this taxonomy
- Explain the meta data which is being represented by this taxonomy
- Document the taxonomy
- Explain to users how to customize and otherwise implement this taxonomy
- Provide sample implementation
- Summary of open issues relating to the taxonomy

1.3 Organisation of this document

This document is organized as follows:

1. To be completed.

1.4 Terminology and document conventions

Terminology used in XBRL frequently overlaps with terminology from other fields.

Table 1. Terminology used in this document.

Concept	Definition of concept
Dimension	Scenarios in whose contexts data are being reported, for example: exposure class, exposure type
Measure	Data points being reported, for example: exposure value, exposure weighted average LGD, expected loss.
Template	Created from the combinations of dimensions and measures being reported, for example: CA (capital adequacy summary), SA (capital requirements), etc.

The following highlighting is used for non-normative examples in this document:

The following highlighting is used for non-normative *counterexamples* in this document:

Non-normative editorial comments are denoted as follows and removed from final recommendations:

WcH**:** This highlighting indicates editorial comments about the current draft, prefixed by the editor's initials.

Italics are used for rhetorical emphasis only and do *not* convey any special normative meaning.

2 Business Requirements

This taxonomy is based on meeting the following business requirements.

CEBS agreed that the CRD implementation should be adhering to these three principles:

Id	Principle	Stated as
P1	Flexibility	Each supervisor is allowed to choose the scope (P1.a) as well as the level of aggregation of information required (P1.b); the framework will allow for flexibility also to accommodate for differences in the exercise of the national options foreseen in the CRD, for instance with reference to the treatment of small institutions (P1.c)
P2	Consistency	The same concepts and terminology have been used as far as

		possible
P3	Standardisation	The number of different templates has been minimised

CEBS members worked out "a data model and an Information System solution were designed to support the common reporting framework and at the same time being compatible with existing reporting systems. The adoption of a common technology protocol based on XML/XBRL language, which will allow taking full advantage of the data model's functionality, is recommended in the consultation paper". We refer to this data model in this document as the "COREP Data Model", and we refer to it as being an additional principle (P4) for this project.

COREP templates are defined in CP04Templates.xls in http://www.c-ebs.org

Data Model for COREP templates are defined in MatrixJan05.xls at www.corep.info or updated version. Data Model is edited by Frédéric Marie & Adrian Abbott

2.1 Flexible Framework/Extensibility

Supervisors can decide what to implement. Each supervisor can decide the scope of COREP. Can decide on size of entity (small and large banks). Must be real, with their own resources, implement their own constrains used within their banking system.

First priority of extension is PROHIBITION of existing elements (by supervisors) can choose NOT to use existing concepts. Adding additional elements is secondary in extension priority.

XBRL taxonomy should be also useful as example for countries choosing other (pure or derivated) XML implementations. All the daptations are local responsibility.

2.2 Stability

The taxonomy is to provide a stable platform for those implementing this taxonomy. To provide guidance to banks. Banks have to make changes to their internal systems now. We have to send the correct signals. Have to map internal data to reporting requirements now. Has to be stable, cannot change the mapping again in 6 or 12 months.

Dimension linkbase and formula linkbase MUST be at recommendation status for XBRL International before they will be used by this taxonomy.

Each country is free to use the dimension linkbase and/or formula linkbase before this time, or a proprietary solution to meet their desired needs; however, the base taxonomy (this taxonomy) will not.

Functionality will be postponed until stability is achieved.

It is the intension of COREP group to assist in implementation of formula linkbase and dimensions linkbase in order to achieve XBRL International recommendation status sooner, where this is possible. It is in COREP interest to evaluate these implementations in order to ensure they meet future needs.

[NOTE: It is our estimation that the formula linkbase will be a recommendation by July 2006 (98% probability), December 2005 (75% probability), or July 2005 (25% probability).]

2.3 Implemented within specified timeframe

Must be developed (released, stable) by June 1, 2005.

Taxonomy MUST be tested and operational at the national level by March 2006.

Complete reporting system MUST be completely tested and operational at the national level by March 2007.

2.4 Ease of implementation

Customization of taxonomy needs to be easy to implement in IT terms (implementing internal systems) and business terms (those creating the taxonomy extensions). Within the skill sets of these users.

Some functionality may be temporarily sacrificed in order to gain simplicity.

3 Summary of Known Limitations/Constraints

COREP is consciously postponing implementing some calculations validation at instance generation level. The reason for this is that we desire to provide a stable and simple "base" which will not change and can be used by banks to map their internal data systems to. Calculations/formulas will be added as a separate component in the future when the formula linkbase specification is completed. (Rather than the alternative of adding short-term "structures" to facilitate the creation of calculations.) The addition of this formula linkbase MUST be simple, and we foresee that this will be simple. This will be "measured" by creating prototypes.

All the validations postponed, as well as the validations out of the scope of taxonomies (i.e. validation against supervisor data), can obviously be performed at IT supervisor level, as traditional.

What is being lost is:

- XBRL 2.1, FRTA, FRIS validation is NOT lost.
- Calculation linkbase validation is NOT lost.
- Cross context validation IS LOST. (i.e. Total as sum of disaggregates, irrespective of the combination of dimensions However, this can be mitigated, if desired, by purchasing proprietary validation solutions at national level.)
- No way to validate the "meaning" of content in the segment or scenario element. The dimensional linkbase will provide that method. Timing of the dimensional linkbase is deemed to be prior to formula linkbase.

It is unknown if the formula linkbase, or other functionality of some type, will be available to validate that supervisors do not get data for which data should not be reported. It is assumed that some combination of features from the formula linkbase, dimensional linkbases, and definition linkbases will allow validation of "full inclusion" and "false inclusion" of reported data.

4 Brief Explanation of COREP Meta Data Being Expressed by COREP Taxonomy

The following is a brief summary of the meta data being summarized by this taxonomy. At a very fundamental level, "cells" of data are being reported. These cells are refered to as **measures**.

Measures are the data points being reported, for example: exposure value, exposure weighted average LGD, expected loss.

Dimensions are scenarios in whose contexts data are being reported, for example: exposure class, exposure type.

Templates are created from the combinations of **dimensions** and **measures** being reported, for example: CA (capital adequacy summary), SA (capital requirements), etc.

There are 25 templates.

There are 17 possible dimensions, no template has more than four dimensions.

5 Taxonomy Summary

5.1 Overview

The COREP discoverable taxonomy set (DTS) will contain XBRL concepts (XML Schema elements) which express measures.

[TO DO: Explain modularity approach].

XBRL definition links will be used to either explicitly show dimensions or explicitly show which dimensions are not allowed. Definition links show relationships between measures and dimensions in templates.

XBRL instance document contexts will express the dimensions being reported.

The presentation linkbase will be used to express the hierarchy of elements, if needed.

The taxonomy will be FRTA compliant.

Code lists will be used, if appropriate.

"Tuple option" is plan B. The simplest tuple solution. Limited additional work will be performed to investigate a simple tuple option.

Labels will be created in English for the taxonomy. Additional sample labels will be created in Spanish. Regulators can create labels for their languages.

5.2 Modularity

Modularization strategy:

- Each dimension has a separate physical file (taxonomy)

- Extending dimensional taxonomies
- Extending template taxonomies
- Each template is a separate physical file (taxonomy)

5.3 Tuples

Use of tuples:

- Tuples will be used when deemed needed.
- Use of tuples will be minimised in COREP to maximize extensibility
- It could be a regulatory choice to use tuples in supervisor customized extension taxonomies

5.4 Dimensions

Use of dimensions:

- Valid dimension combinations will be expressed in an XML file (not an XBRL file). Not using the current "dimensions" taxonomy draft. This file will be created by each regulator.
- It is assumed that converting to the implemented dimensions solution to the XBRL International Dimensions specification (when it becomes a recommendation) will be trivial.
- It is a "theoretical issue" that the dimension file will have a huge size due to the combinations of dimensions; many dimensions must be described. (Cartesian join). It is an option to use tuples for this case.

5.5 Element Naming Convention

Naming convention is upper camel case, no dots. Assume we can follow FRTA naming convention.

We need to create some sort of "mapping" for characters in labels, not allowed in names.

5.6 Taxonomy Testing

Testing of the taxonomy will be achieved parallel to taxonomy development. Extensive testing using actual data from financial institutions to test the entire taxonomy will also be performed. Additional sample data will be used to achieve a 100% coverage test of the taxonomy.

5.7 Contingency Plan

As the formula linkbase specification and dimensional linkbase specifications are not released as XBRL International recommendations and the COREP taxonomy relies on these specifications, the COREP taxonomy will have a backup contingency solution.

The formula linkbase is required for validation of calculations within the data reported. The dimension linkbase (and probably the formula linkbase) are required to validate "full inclusion" and "false inclusion" of reported data (data which should not be reported is not there, all required data is reported).

No contingency plan will be created to cover non-availability of the formula linkbase specification. Options if the formula linkbase is not provided are (a) no validation of calculations for a period of time, (b) reliance on internal systems, (c) proprietary solutions.

An backup contingency solution will be created to cover non-availability of the dimension linkbase specification.

The backup solution will be created by running XSLT style sheets against the primary solution and generate the "tuple option" backup solution. This solution uses tuples to "wrap" dimension information with reported data.

If the risk is reduced (by release of the formula linkbase specification and dimension linkbase specification), the backup solution will be abandoned; however, until that time, work will be performed to prove this solution works.

The "tuple option" backup solution will also be posted to the XBRL International Specification Working Group for evaluation of this solution.

6 Summary Taxonomy Customization and Implementation Guide

To be completed…

7 Summary of Open Issues

To be completed…

This taxonomy is to be completed by June 30, 2005.

Appendix A. References (non-normative)

[XBRL] Phillip Engel, Walter Hamscher, Geoff Shuetrim, David vun Kannon, Hugh Wallis.
Extensible Business Reporting Language (XBRL) 2.1 Specification with corrected errata dated 2004-11-14.
http://www.xbrl.org/SpecRecommendations/

Appendix B. Intellectual Property Status (non-normative)

To be completed...

Appendix C. Acknowledgments (non-normative)

This document could not have been written without the contribution of many people.

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Appendix D. Document history

This document could not have been written without the contribution of many people.

2005-02-15	Hoffman	Initial document created.
2005-02-17	Hoffman	Updated for information relating to discussions of February 16-17 in Madrid.
2005-02-18	Boixo	Editorial review.

Appendix E. Approval process (non-normative)

This appendix will be removed from the final recommendation. DWG = Domain Working Group; ISC = International Steering Committee.

For this document, a necessary condition for advancing from stage 5 (Candidate Recommendation) to stage 6 (Recommendation) shall be the existence of at least two compliant taxonomy frameworks.

	Stage (* - Current)	Party responsible for decision	Next step	Revisions needed	Target date for stage completion
1	Internal WD				2005-03-11
2	Internal WD pending publication				
3	Public WD under 45 day review				
4	Draft Candidate Recommendation				2005-06-30
5*	Candidate Recommendation				
6	Recommendation				