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Worried about Non-compliance with Changing Banking and Insurance Regulatory Reporting Requirements?



UNCERTAINTY

Background

The European Banking Authority (EBA) reporting regime under the Capital Requirements Directive (CRD IV) and the associated Capital Requirements Regulation (CRR) became effective on 1st January 2014. The Financial Conduct Authority (FCA) requires Common Reporting (COREP) and Financial Reporting (FINREP) data to be submitted in XBRL format.¹

Solvency II is an EU legislative programme that introduces a new, harmonised yet comprehensive EU-wide insurance regulatory regime, replacing 13 existing EU insurance directives, and comes into effect on 1st January 2016.²

Similarly, there are mandates across the globe now requiring data to be submitted in XBRL (eXtensible Business Reporting Language) format. These include Securities and Exchange Commission reporting, Australian Standard Business Reporting and many others.³

The Challenges

You've successfully managed to implement a new process to prepare your regulatory submissions in XBRL format with help from your IT team or outsource provider. However, designing and implementing a streamlined and efficient process for the preparation of regulatory reports is challenging. Data collation, validation and sign-off can be complex and time-consuming tasks, but they don't need to be.

There are a number of critical decisions made when preparing the XBRL filing that impact how regulators and investors interpret your financial information. Incorrect decisions made during this preparation may mean your filing is inaccurate or your company's performance is misinterpreted. Furthermore, regulators are now holding corporate management responsible for timely filing.⁴

In addition, regulators such as the EBA are actively collecting, storing and managing data to perform risk analysis and stress tests for the purpose of market economic analyses as well as impact assessments of potential market developments.⁵

Questions to Consider

Do you know what all your regulatory requirements are? Do you understand how to confirm that your XBRL regulatory reports are compliant?

Are you confident that your IT team or outsource provider has correctly interpreted your business requirements in order to prepare accurate XBRL reports for the regulator?

How comfortable are you that your XBRL report data has been collated, verified and signed-off by the business correctly against regulatory requirements?

How simple and effective is your XBRL regulatory reporting process?

Can you view and trust the output of your incumbent approach or are you flying blind?

The Solution

To help improve your confidence in complying with regulatory reporting requirements, Accenture Finance & Risk Services has allied with CoreFiling Limited to provide an XBRL Health Check.

We guide you through a detailed assessment to help determine the quality, efficiency and flexibility of your reporting process. You will have an enhanced view of how effective your organisation is at storing key data, transforming it into XBRL format, and reviewing and signing-off regulatory reporting submissions. Given the ever-changing regulatory landscape, you will also see how well your organisation is able to adapt to changes in reporting requirements. You will receive a report summarising the current state and risks, tactical and strategic recommendations for helping achieve optimal outcomes, and any relevant benchmarking against market practice.

The XBRL Health Check includes a software tool called Magnify® to make your report quality assurance review easy. Magnify® is a user-friendly CoreFiling desktop tool that:

- renders XBRL files into readable format
- provides a comprehensive checklist to guide business users through the review of a filing document
- makes it easy to create custom review reports and data exports, which show relevant data about an XBRL instance or taxonomy in a user-defined table
- can run in-house business rules using a powerful business language to enhance the validation of data prior to filing

The technology, designed with business users in mind, spares users from dealing with the technical complexities associated with XBRL, thus allowing business users to more completely focus on the content of their disclosures.

The UK's Financial Conduct Authority has chosen CoreFiling's True North® XBRL validator for its EBA reporting requirements and validation of COREP and FINREP filings from the UK financial market.⁶ The True North® validator underpins all CoreFiling products, including Magnify® and the Seahorse® XBRL conversion solution.

XBRL Health Assessment Process



Notes

1. The European Banking Authority (EBA) has specified to all National Supervisory Authorities (NSAs), including the FCA, the reporting data required from firms under CRD IV. This will be via COREP and FINREP. Such data will continue to be collected via the FCA GABRIEL system. In the UK the sole reporting format for this data will be via XBRL. This will cover all data currently included within the EBA Implementing Technical Standards (ITS). Access at: <http://www.fca.org.uk/firms/systems-reporting/gabriel/system-information/technical-pack>
2. In March 2014 the European Parliament adopted the Omnibus II Directive. This Directive implements changes to the Solvency II Directive (2009) and schedules the application date of the Solvency II Directive for the 1st of January 2016. Access at: http://europa.eu/rapid/press-release_STATEMENT-14-61_en.htm?locale=en
3. Securities and Exchange Commission portal on eXtensible Business Reporting Language. Access at: <http://xbrl.sec.gov/> The Australian Securities & Investment Commission portal on Standard Business Reporting. Access at: <http://www.asic.gov.au/sbr>
4. It is important to note that the reporting requirements are subject to strict time limits under FCA rules. If firms do not meet these time limits, they will be charged an administrative fee. If a firm does not submit the information required the FCA may take enforcement action, which can result in a firm losing its permission to carry out regulated activities. See Financial Conduct Authority portal, Registering to use GABRIEL, Late returns section. Access at: <http://www.fca.org.uk/firms/systems-reporting/gabriel/firm-registration>
5. A key oversight task of the European Banking Authority is to identify and analyse trends, potential risks and vulnerabilities. See the European Banking Authority portal, Risk analysis and data section. Access at: <http://www.eba.europa.eu/risk-analysis-and-data>
6. "The UK Financial Conduct Authority selects CoreFiling's True North XBRL validator for EBA reporting," CoreFiling. Access at: <http://www.corefiling.com/pressroom/20140203-0000.html>

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About CoreFiling

CoreFiling Limited is the world's largest dedicated XBRL vendor, known in the market for deep XBRL subject matter expertise, industry knowledge, engineering excellence and innovation. CoreFiling have the largest concentration of XBRL experts under one roof, dedicated to improving business reporting with XBRL based e-filing solutions to filers and regulators. Email: info@corefiling.com, www.corefiling.com

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