



# The European Commission and XBRL

Piotr Madziar  
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## Topics

- EU policies
- Some facts and regulations
- Dilemmas to solve

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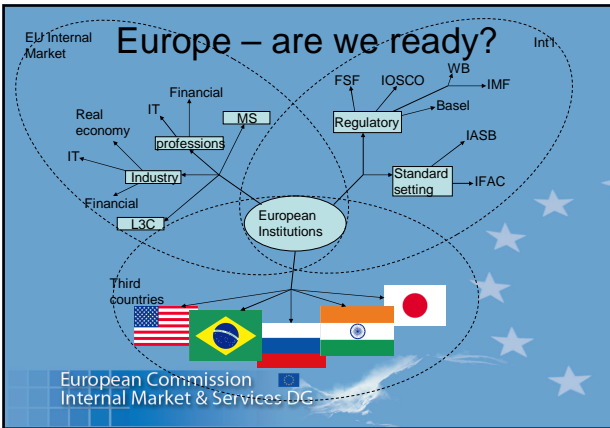
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## EU Policies (1)

### **Simplification of business environment and reduction of administrative burden**

- Citizen well-being and SME driven
- EU initiative
- Open formula (all ideas welcomed)
- High priority for Barroso Commission (and next Commission?)
- Within the Commission coordinated by Commissioner Günter Verheugen

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## EU Policies (2)

### **Regulatory environment and Lamfalussy structure**

- Financial crisis driven
- Position of national regulators?
- Global aspect
- Coordinated by Commissioner Joaquín Almunia

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## EU Policies (3)

### **E-government initiatives**

- Technology and competitiveness driven
- EU and global dimension
- Coordinated by Commissioner Viviane Reding

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## EU Policies (4)

### Corporate transparency in financial markets

- Driven by transatlantic relations
- Coordinated by Commissioner Charlie McCreevy
- Position of business organisations, regulators?
- Global aspect

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## Some facts (1)

- Transparency Directive (2004/109/EC):

Recitals (23) and (25):

- One filing and storage system in each MS
- Access to information more organized
- Dissemination throughout the Community
- Centralised dissemination in MS allowing a European network to be built up

Article 22:

- MS to draw up public access guidelines
- Aiming at creation of electronic networks at national level between regulators, operators, regulated markets and company registers
- Aiming at creation of a single electronic network (or platform of networks) across MS

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## Some facts (2)

- CESR advice on storage and filing of regulated information (30 June 2006):

Questions:

- Whether use of input standards (XBRL or similar) is desirable
- Type of technology used in the interface with end users

Answers:

- MS to designate Officially Appointed Authorities (OAMs)
- Quality standards to be compiled by OAMs
- OAMs must be accessible through internet, receive electronic filings, store in electronic format
- Electronic means must be: easily accessible, commonly used, widely available
- Interoperability agreements between MS and between OAMs

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### Some facts (3)

- EC Recommendation (11 October 2007):  
MS to mandate the competent authorities to prepare (within CESR) a governance agreement  
It should address:
  - Creation of a network platform
  - Conditions to join
  - Sanctions
  - Network platform managing body
  - FundingFunctionalities of the electronic network:
  - Central list of issuers
  - Interface language directory
  - Security, certainty, time recording, accessibility, searchableGuidelines by 30 September 2010, MS to inform EC by 31 December 2008

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### Some facts (4)

- Council Conclusions of 22 and 23 November 2007:
  - Europe must remain in the forefront
  - IT offers new set of tech instruments and business reporting languages
  - European Community and MS to improve competitiveness
  - Need to streamline reporting concerning the same type of data
  - Optimise the use of electronic means
  - Take into account the possibilities offered by the available technical standards

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### Some facts (5)

- Statement of EU Commission (Charlie McCreevy) and US SEC (Christopher Cox) of 1 February 2008:
  - Wide-ranging discussion on XBRL developments
  - Cooperative approach to reducing regulatory friction
  - Enhancing investor protection
  - XBRL will let investors take full advantage of IFRS (in the speech)

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## Some facts (6)

- European Parliament Resolutions on simplified business environment (January 2008, May 2008)
  - It should be easier to prepare, file and publish statutory information
  - Electronically
  - Strongly promotes the use of new technology such as XBRL
  - Such information easily accessible for investors, creditors and employees
  - Throughout the EU
  - Invites the Commission to present a roadmap for introducing XBRL in the EU
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## Some facts (7)

- European Parliament Resolutions on Lamfalussy follow-up: future structure of supervision (September 2008)
  - Calls upon the L3 Committees to design common reporting standards
  - Multi-purpose format such as XBRL
  - Throughout the EU
  - Calls upon the Commission to submit adequate legislative proposals
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## Questions – Who?

- EU Commissioner responsible for financial markets? EU Commissioner for Enterprise?
  - Liaison with SME/Simplification policy – business registers, tax authorities, statistical offices, social security administration, regulators, banks,...?
  - Liaison with Corporate Transparency and Financial Markets Policy – standard setters, financial regulators, stock exchanges, rating agencies,...?
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## Questions – How?

- EU FAQ, roadmap,... ?
- European forum, Advisory Group, study,...?
- Major EU regulators
- Governments role: Finance Ministers, Economy Ministers etc.
- Professions role Accountants, Financial Analysts
- Software vendors role

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## Contacts

- DG Internal Market & Services website:  
[http://ec.europa.eu/dgs/internal\\_market/index\\_en.htm](http://ec.europa.eu/dgs/internal_market/index_en.htm)
- Piotr Madziar  
+32-(0)2-2950869  
[piotr.madziar@ec.europa.eu](mailto:piotr.madziar@ec.europa.eu)

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