



Brussels, the 24th of September 2010

**COMMITTEE OF EUROPEAN
SECURITIES REGULATORS
11 - 13 avenue de Friedland,
75008 Paris, France**

**Ref.: Consultation paper from the Committee of European Securities Regulators on the
Development of Pan-European Access to Financial Information Disclosed by Listed
Companies**

Dear Madam, Dear Sir,

XBRL Europe is pleased to transmit herewith our response to your Consultation in reference.

Being at your disposal for any further information you would like to obtain on XBRL, we remain
Yours sincerely,

A handwritten signature in black ink, appearing to be "Gilles Maguet". The signature is stylized with long, sweeping strokes.

Gilles Maguet
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XBRL Europe
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CONSULTATION PAPER
FROM
THE COMMITTEE OF EUROPEAN SECURITIES REGULATORS

**Development of Pan-European
Access to Financial
Information Disclosed by
Listed Companies**

ANSWERS FROM XBRL EUROPE

Q1. What in your view is the reason for the apparent lack of widespread use of OAMs by end users?

XBRL Europe is of the opinion that the absence of a common reporting format and language like XBRL and as a consequence of common tools, are barriers to any use of OAMs.

As of today and as mentioned the information through a weblink from the OAM, is:

- Located on issuers website for a part of them and for a part of the information
- Issued in accordance with the IFRS for the financial information but with additional information following national rules and or industry specific rules
- Issued in the form of reports for which the content is not standardized,
- Issued sometimes in various languages, various presentations and even various IT formats and thus offering very limited comparison capacity

OAMs do not provide data available in a format ready to use by end users. However professional service providers (Thomson/Reuters, Blumberg etc.) partially transfer reporting content into a format ready to use by end users AND do provide search facilities.

Two aspects are key: contextually standardized information format (granularity, structured, comparability etc) and search facilities. The contextually standardized information format is key in order that anyone is able to provide appropriate search facilities. OAMs regularly do not use an appropriate format which structures data in detail. PDF, HTML, XML Layout are just "electronic paper". As a consequence neither OAMs nor third party service providers are able to provide appropriate search facilities

In addition the OAMs provide virtually no added value services like industry and/or geographical comparisons, or as on the SEC website XBRL tools to visualize financial disclosures.

All these points lead to a high complexity in the use of the OAMs from the end user point of view, requiring professional end users to develop their own not so transparent tools, and leaving the private investors lost in an avalanche of information that is not quickly accessible or reusable and therefore economically opaque.

Q2. Do you agree that the visibility of OAMs could be enhanced through developing the search facilities at the level of OAMs and the OAM network?

XBRL Europe shares the views that developing search facilities at all levels will enhance OAM visibility. However as stated in the answer to Q1, this will not be enough for the improvement of the use of OAMs. As long as the lack of semantic context creates opacity the complexity described above will remain.

Q3. Do you have any other proposals for improving the visibility and/or use of OAMs?

XBRL Europe considers that only the common use of a standardised reporting format and language like XBRL will improve the use and the visibility of the OAM's. The question of the location of the information (unique or multiple repositories) is less important as the standardized semantic context enabled by XBRL enables search facilities to easily extract and consumers/investors/analysts to seamlessly reuse the company disclosures formatted in XBRL.

Standardized information gives the ability to the financial analysts to download the regulated information, in XBRL, Excel or HTML format, to retrieve and compare the relevant data, which can lead to a better understanding of each company business model and financial results.

Most of the time, the financial analysts do not know where to find all the data for many companies and even more for the small listed European companies, and even if they do, the presentation formats and the meaning of each item are different from one country to another.

The listed companies must provide annual financial reports and disclosures, as regulated information listed in the Transparency directive. As an example, in France, this reporting, named "Document de référence" is a hundred pages PDF document to be sent to the national French regulator, the AMF, and then booked into the French OAM French website "info-financieres.com". To develop a proof of concept, XBRL France has issued an executive compensation XBRL Taxonomy ("Rémunérations des dirigeants" taxonomy). Based on this XBRL taxonomy, a website has been launched, aiming at a public free access to view the executive compensation of listed companies, in a unique reporting format, proposed by the AMF.

In using XBRL, this information could also be more easily extracted and analysed by the analysts, without any manual re-keying as of now, thanks to the use of a relevant freely available XBRL taxonomy and the appropriate tools to key (input) in and to retrieve (output) the information.

In order to improve the use of OAMs an appropriate freely available standardized format, like XBRL, is the key. The structure of information has to be able to work with individual modification of disclosure structure (country specific accounting/disclosure rules in addition to IFRS) and therefore has to be extensible. Our suggestion is that OAMs mandate use of XBRL as the required disclosure format (extensibility rules prescribed by CESR). OAM should offer XBRL disclosures for free. OAM may provide some search facilities for free or as a paid service. Additional added value services at least for a private usage should be promoted like on the SEC website with their interactive data viewer allowing viewing XBRL instance documents.

XBRL Europe is thus of the opinion that the use of a freely available common standard reporting format and of the common language XBRL will enhance the visibility of issuer disclosures and of OAMs as with the large use of XBRL the analysts will be more able to seamlessly access, extract, reuse and compare company disclosures than with the present paperbased or PDF (electronic paper) system.

XBRL Europe supports the common category labels presented by CESR under No. 37. The use of a standardized data format like XBRL would facilitate the implementation of such category labels (e.g. DEI taxonomy of US SEC filing).

Q4. Which of the search facilities in subsections 5.1.1 – 5.1.3 below would you consider important?

Q5. Are there any additional search facilities that CESR should consider?

Q6. Which standard would you prefer for industry / branch categorisation?

XBRL Europe considers for the last 3 questions that search facilities are of utmost importance, but on the contrary of some existing OAMs a summary list of companies must remain on the front page as it is a “natural” entry point for a majority of persons.

As for the standards XBRL Europe considers that a “transnational” code like ISIN should be used but has to be also in conformity with the work made in the Business registry sector which has to decide on the type and the content of a code for transnational searching purpose as well.

As for the search facilities XBRL Europe considers that it is very important to include in the search capacity the international search of companies (or multiple countries) and thus to be able to extract from any OAM in one country information from another OAM. That is to say to interlink the OAMs searching tools.

But most importantly the results of the search must be exploitable for the end user. For this purpose as stated above XBRL Europe recommends the availability of information in XBRL format like in Spain and not just in PDF format as of now. Obviously the content of this information has to be the common standard reporting format mentioned above.

Q7. Do you see need for mandating dynamic or chain searches at the OAM or CAP level?

XBRL Europe states that dynamic or chain searches even if facilitating tools are not of top priority considering at first the huge work to be carried out in harmonising the content of information and the implementation of XBRL.

However, dynamic or chain searches may be an advantage for the large number of small and mid capitalized companies. It would be very much easier for investors to identify for example all biotech companies in the European Union with 100 million Euro in Sales, an EBIT of 20% and an annual increase of sales by 80%. Actually such a small listed company might be not in the database of investment professional's service providers because of the costs to transfer the information into their database. Alternatively such information contained might be old or might be just basic information. XBRL would improve small and mid cap's visibility in the capital market and would improve their coverage by investment professionals.

Q8. Would you consider it necessary to have common input formats and standards for any other type of regulated information than periodic financial information? If yes, which formats and standards and for which type of regulated information?

XBRL Europe is obviously of the opinion that having common inputs formats and standards is crucial for the transparency of the market in the European Union.

First, Non Financial Disclosures which refer to financials should use the same format like the financials (XBRL). Second, all regulated information should use the same standardized format (XBRL) in order to minimize IT cost for preparers, intermediaries and end users.

Moreover the implementation and the use of XBRL in the EU like in other parts of the world will facilitate the work of the investors and of the analysts as all the financial information would be easy to find and to compare. Third, documentation produced by issuers or their agents in respect of corporate actions should also be available in XBRL format. Such a development would facilitate the straight through processing of such corporate actions by financial intermediaries, reducing costs, and enabling better communication between issuers and their end investors.

The point concerning the costs/benefits aspect must not be ignored and XBRL Europe will participate to this discussion and analysis with CESR. But on the other hand XBRL Europe would like to underline that changing/implementing common input standards from the point of view of the issuers is the major difficulty, implementing an IT standard like XBRL is minor aspect. As a proof of that, the implementation of COREP in the banks following the CEBS recommendation in the banking sector involved the majority of time and resources, and at the end, transforming it into XBRL was simple and not very costly.

Q9. Do you agree with the proposed common list of types of regulated information presented in Annex 3?

Q10. Do you have any proposals for further types of regulated information that should be included?

XBRL Europe agrees with the proposed common list as presented in Annex 3 and would like to underline that this information could fit perfectly in an XBRL Taxonomy.. The extensibility capacity of the XBRL language leaves room to create extensions whenever it is decided to go further in the extraction and filing of information. Using XBRL there could also be a huge advantage as the "tagging effect" of XBRL is applicable not only to figures but also on texts and parts of text.

Q11. What are your views on the interconnection of OAMs with business registers?

XBRL Europe considers the interconnection of OAMs and business registers an an ultimate achievement to reach in the easy extraction of financial information. Most importantly a large majority of Business registers in Europe are collecting the information in XBRL and is able to deliver this information in XBRL.

As for the interconnection of Business Registers, XBRL Europe has set a working group called XBRL Europe Business Registers Working Group (or XEBR) aiming at finding solutions to the exchange of financial information between the Business Registers. The majority of national Business registers in Europe are members of this Working group which has developed a common minimum XBRL Taxonomy between the members. This Working Group very actively liaises with the EBR initiative mentioned.

Q12. What in your view would be the benefits of an integrated pan-European OAM network (with a central access point) for issuers or end users (retail investors, professional investors, analysts, other users of financial information)?

If the example from the United States is taken with their US GAAP and the EDGAR system, or in Japan with the EDINET system or in China with the CSRC system, XBRL Europe is of the opinion that in EU, the large use of the IFRS and and XBRL with an integrated OAM network will help solving the OAM visibility problems.

But to be complete and useful as in the US the use of a so called EU database storing fully comparable XBRL Instance documents would be a real asset. The internet enables access to millions of separate proprietary sites that should have all been standardized. XBRL is the standardized language for business information enabling similar standardization for reports relevant to the listed companies sector and to CESR.

Therefore, a second option would be to create an EU level registry of all of the company storage points where the companies maintain the documents on their respective websites? It could potentially lower the cost, increase the access and enable investors to obtain both the regulatory and non-regulatory content from the same process. Leveraging standards like XBRL and RSS only make the content more accessible and reusable. Encryption technology might be used in order to guarantee that companies can not change the content of XBRL data at their website.

Last, regarding any solution it should be mentioned that it is important (not at least from an auditor's point of view) that the information contained is authentic i.e. that all information is precisely as in the original version of a financial statement etc. It means that the authentication should be secured and XBRL associated with authentication solutions are perfect solutions for that specific purpose.

For XBRL Europe, the benefits of having an integrated pan-European OAM network (with a central access point) using common reporting formats and XBRL are the followings:

- For investors it will reduce risks and costs as comparability will be much easier to process. In addition for analysts and auditors and all intermediaries the use of XBRL based standard reporting will bring better comparability of reports, and better reliability and accuracy in using data which would have been less re-keyed and/or misinterpreted.
- For issuers it will reinforce the confidence of Markets.
- For OAMs it will be easier to exchange and to compare business information from one EU country to the other and thus it will reinforce confidence of the Markets into the OAMs efficiency and reduce the unfair competition between the countries.
- For all the stakeholders the use of an integrated pan-European OAM network (with a central access point) based on XBRL standard reporting will reduce significantly the time of delivery of information.

Q13. Do you see any specific pros and/or cons for option 1 or option 2?

XBRL Europe is of the opinion that the Option 2 with the strict implementation of a standardised reporting format and the language XBRL as outside EU would match the standard of the transparency directive and would be beneficial to the issuers and the end users. XBRL Europe, being aware of the necessary political steps, understands that the option 1 Step 3, with also the strict implementation of a standardised reporting format and the language XBRL, even if more complex to set up is a goal to reach.

Q14. Do you agree with CESR's analysis of the supervision of the network and the need for binding technical standards for OAMs?

XBRL Europe shares the views of CESR about the supervision network and would like to underline the necessity of using binding technical standard like XBRL in order to allow the comparability of supervision between the OAMs and ESMA. XBRL Europe is of the opinion that only the use of XBRL for filing will allow the easy supervision work between the OAMs and ESMA.

About XBRL

Contact: www.xbrl.org

XBRL, eXtensible Business Reporting Language, is an open standard for the electronic communication of business and financial data which is revolutionising business reporting around the world. XBRL is being developed by an international non-profit consortium of approximately 600 major companies, organisations and government agencies. Based on XML and internet interoperability, it provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data. The idea behind XBRL is simple. Instead of treating financial information as a block of text - as in a standard internet page or a printed document - it provides an identifying tag for each individual item of data. This is computer readable. For example, company net profit has its own unique tag. It is already being put to practical use in a number of countries and implementations of XBRL are growing rapidly around the world.

About XBRL Europe

Contact: gilles.maguet@xbrl-eu.org (XBRL Europe Secretary General)

XBRL Europe is an international non profit organisation (association internationale sans but lucratif) based in Brussels, set up to foster European XBRL efforts and to implement common XBRL projects in Europe between its members and to liaise with European Authorities and organisations.

Members of XBRL Europe are XBRL Belgium, XBRL Denmark, XBRL Germany, XBRL France, XBRL Ireland, XBRL Italy, XBRL Luxembourg, XBRL Netherlands, XBRL Spain and XBRL International, as well as The Global Trust Council, the European Federation of Financial Analyst Societies and Deloitte Innovation BV, SWIFT and the Bermuda Monetary Authority. The European Commission (DG Internal Market) is an observer and a regular attendee of XBRL Europe events and Working Groups.