

2nd October 2013

European Securities and
Markets Authority

Ref: Comments to Consultation Paper: "ESMA guidelines on enforcement of financial information"

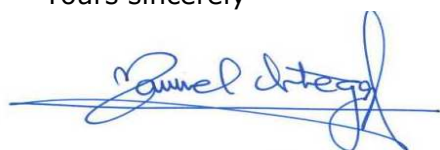
Dear institution

The III WG of European Committee of Central Balance Sheet data Offices, is a working group composed mainly by members of European national central banks (see the annex for more information) that has worked since its inception in 2002 in the analysis of IFRS impacts, using to that purpose real cases available in the markets (that is, consolidated accounts of non-financial listed European groups). As a result in March 2013 it was diffused the first study obtained from a database (called ERICA) that covers in practice the total population of listed groups of the countries involved in IIIWG (Austria, Belgium, France, Germany, Greece, Italy, Portugal and Spain). Precisely, in July 2012 IIIWG answer a demand of data from ESMA (Mr. Rodrigo Buenafuente, Head of Markets Division) on derivatives, with the information available in ERICA. Taking into account these antecedents of our experience, we would like to share with you our views on the Consultation Paper diffused in July by ESMA. **Our opinion pretends to contribute to offer and advice over the questions 1, 2, 3, 4, 10, 13, 14, 16 and 18 of the consultation paper.**

We welcome the project to establish a guideline on enforcement to be applied compulsory in Europe; it will improve the homogeneity of the financial information, reduce the cost and avoid regulatory arbitrage among countries. Our opinion is that to achieve this targets, ESMA should guarantee the easy (that is, electronic) and harmonized (that is, with a compulsory common core taxonomy elements or format) access to the consolidated financial statements; doing that, ESMA could provide the foundation for the creation of an European database with all listed groups, making therefore, easier the enforcement and supervision of European groups. The availability of such database in a harmonized format will help to use a risk-based analysis, as well as the determination of materiality for enforcement. The comparison of the issuer's financial reports with their sector of activity, the year under review and for prior periods, can be done with a limited cost only if a European database is available for ESMA and all European enforcers.

If ESMA considers in the future the development of the basic regulation to introduce compulsory minimum core formats (of course, on top of the full IFRS reports that should anyway continue being deposited by issuers) and/or the creation or use of an European database, we keep at your disposal to share our experience on the development of standard formats and on the creation and up keeping of databases.

Yours sincerely



Manuel Ortega (Chairman of the III WG on IFRS impact and CBSO database)

ANNEX 1 – PRESENTATION OF THE EUROPEAN COMMITTEE OF CENTRAL BALANCE SHEET DATA OFFICES (ECCBSO)

The European Committee of Central Balance Sheet Data Offices was set up in November 1987 on the initiative of several European central banks and the European Commission. Its aim is to contribute to improving the analysis of information on non-financial corporations, to exchange information and to undertake joint work. The members of the committee are the central balance sheet data offices of the central banks of Germany, Austria, Belgium, Check Republic, France, Greece, Ireland, Italy, Poland, Portugal, United Kingdom, Romania, and Spain, and similar units from the statistical offices of Finland, Denmark, Luxemburg, Netherlands and Sweden. All this central balance sheet data offices belongs to different departments (statistics, operation, research, others) in the central bank, what affects the general aim of the Committee, broadening its targets. As regards Ireland and the United Kingdom, these countries' participation is merely as listeners, since in practice they do not have a central balance sheet office. The European Commission and the European Central Bank also participates in the ECCBSO meetings as well as in some of its Working Groups, been an active member of some of them. The chairmanship is on a rotating basis and is for a term of three years. Banco de España is holding the chair until November 2013.

Committee working groups

First Working Group (Risk assessment). In 1999 this group worked in coordination with the related services of the European Central Bank to define a working guide for the homogenisation of the risk analysis tasks carried out by central banks in respect of the corporations whose liabilities are taken as collateral in monetary policy operations; it is continuing this task monitoring the improvements on the system of analysis on use in each central bank for this purpose. The aim of the group when it was set up in 1987 was to draw up a White Paper on corporate analysis in Europe. It drafted reports on the analysis of stocks and flows conducted in the various central balance sheet data offices.

Second Working Group (BACH). The group is entrusted with maintaining the BACH database of the ECCBSO and with improving comparability among the European countries that report to this database. The information in the database has been adapted to the a structure in line with IFRS standards. It has encountered problems relating to the lack of consistency between the different databases and national charts of accounts that are its basis. The working group has extensive experience (it began working in 1987) in problems arising from the lack of comparability between the various sources and it has minimised these shortcomings. The group is responsible for the upkeep of the BACH user guide, which highlights the causes for the lack of comparability between national data sources in the greatest detail.

Third working group (IFRS impact and CBSO databases). This group explores and monitors the effects of the EU's new financial reporting strategy [to adopt international accounting standards or international financial reporting standards (IAS/IFRS)] on the European central balance sheet data offices' databases and questionnaires. In addition, the group has studied the similarities and differences between the questionnaires that are the basis for the information available at each central balance sheet office. In all cases the source of the data is a standardised form, whether that which is compiled in the country for the filing of annual accounts (the case of Belgium and of Spain through one of its databases), whether the forms used to file corporate income tax (the case of France, through one of its databases)

or whether specific standard forms (e.g. Germany, Austria, Spain, France, Italy and Portugal). The working group has developed a common standard format, compliance with the IFRS, using for that purpose the XBRL-IFRS based taxonomy, finally creating some real cases of European Consolidated accounts and integrating all them in a common dataset, called ERICA. Currently this database covers nearly the total population of non-financial listed groups of eight European countries

Study Group. The group analyses profitability and financing conditions in Europe for non-financial corporations of the countries participating in the group (Austria, Belgium, France, Germany, Italy, Portugal and Spain).