	Comments Template on EIOPA-CP-11-002 **Technical Consultation on the Solvency II XBRL Taxonomy**
Company name:	Deloitte
Disclosure of comments:	EIOPA will make all comments available on its website, except where respondents specifically request that their comments remain confidential. Please indicate if your comments on this consultation should be treated as confidential, by deleting the word Public in the column to the right and by inserting the word Confidential.

Please follow the instructions for filling in the template:	⇨ Do **not** change the numbering in column "Reference".
	⇨ Please fill in your comment in the relevant row. If you have no comment on a paragraph, keep the row empty.
	⇨ Our IT tool does not allow processing of comments which do not refer to the specific paragraph numbers below.
	    o If your comment refers to multiple paragraphs, please insert your comment at the first relevant paragraph and mention in your comment to which other paragraphs this also applies.
	    o If your comment refers to sub-bullets/sub-paragraphs, please indicate this in the comment itself.
	Please send the completed template to consultation.taxonomy-201107@eiopa.europa.eu, in MSWord Format, (our IT tool does not allow processing of any other formats).
	
	The paragraph numbers below correspond to the document:
	EIOPA-CP-11-002_Introduction_Taxonomy_Consultation.doc

Reference	**Comment**
General Comment	
10.	Deloitte provides audit, tax, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 140 countries, Deloitte brings world-class capabilities and deep local expertise to help clients succeed wherever they operate. We are uniquely positioned in terms of breath of services. We offer expertise, including actuarial, consulting, accounting and corporate finance that Solvency II calls for, supported by our in-depth experience of the insurance industry and XBRL. With our Global / European footprint and our pan-European research and market watch network, we can provide our clients with insight and anticipation in addition to lessons learned from our Solvency II and XBRL projects.

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		We consistently achieve high ratings from analysts and clients for our ability to help them shape and execute their strategic vision. Many large organisations already trust us to assist them on the path to Solvency II and the implementation of XBRL reporting solutions. **Our XBRL expertise** Deloitte understands the complexities of the regulatory and compliance reporting requirements. Deloitte has developed a global competence working with regulators, government agencies and other institutions for developing XBRL taxonomies and reporting solutions. Deloitte has successfully designed and implemented reporting solutions using XBRL. Deloitte supports many organizations in preparing financial statements to comply with mandates from regulators and tax offices. This places our global specialist team in an ideal position to be at the forefront of developments in this area. To assist organizations with the design and implementation of XBRL reporting solutions, professional help is often required in the following areas: **Business Case Development** Key driver for many regulators to adopt XBRL as the reporting data standard, is to gain efficiencies in the data collection process of business information and to improve analytical capabilities. Deloitte offers organisations support in the development of a comprehensive business case that covers the full reporting chain and all stakeholders concerned. **Data Collection & Analyses** Deloitte provides full service support through its Data Collection and Analytics Service. By working closely with many clients, i.e. government agencies, corporate clients, banks, etc., we have proved our professionalism and ability in implementing XBRL in terms of architectural and functional design of XBRL platforms, business rules (i.e. XBRL Formula) construction, and analytics plug-in implementation. We are experienced in handling various types of filings, e.g. COREP/FINREP filings, tax return filings, and statutory filings. **Preparing XBRL Filings** With XBRL becoming an integrated part of the periodic reporting and filing process, some companies that need to prepare XBRL reports take the opportunity to improve their reporting processes of the multitude of disclosures to address in a coordinated fashion. Deloitte's Disclosure Management Methodology enables companies to conduct this effort efficiently and effectively. **Taxonomy Design & Management** Deloitte's Taxonomy Design and Management methodology is a structured approach that addresses the multiple subject

areas that need to be covered for a successful introduction of the XBRL standard in your reporting domain, whether for regulatory reporting purposes or for gaining internal reporting efficiencies.

Key subject areas covered by Deloitte's Taxonomy Design and Management Methodology are:

- Structured, multi-disciplinary approach that covers both the data governance as well as technical aspects of XBRL taxonomy development process
- Management of multiple taxonomies and version control
- Transfer of XBRL skills by training and hands-on experience gained
- Change management and communications to support in the introduction of a new way of electronic reporting
- Alignment with local and international accounting standards
- Process design of electronic reporting and messaging, including controls
- Project management

Deloitte's extensive knowledge and experience with taxonomy design at various regulatory bodies in both the private and public sector, has provided us with a solid reputation of delivering high quality XBRL services and support. Being involved in many XBRL related working groups and governing bodies enables us to provide our clients with the latest insights on the use of XBRL in many reporting domains.

Deloitte is an active participant in the XBRL International Consortium, with past and present active membership and contributions to all levels of its strategic, managerial and technical working groups. Relevant Deloitte member contributions include authoring the XBRL specifications and best practice guidance as well as participation in technical architectures of leading taxonomy developments, including IFRS and major other GAAPs (UK, US, South Africa, etc) the Eurofiling COREP/FINREP banking taxonomies, SBR (NL, Australia, Singapore etc), European Committee of Central Balance Sheet Data Offices, Global Reporting Initiative, Credit Risk, etc.

11.	**Specifications**
	We have validated the taxonomy using Fujitsu and EdgarOnline tools; no errors were reported.
	The taxonomy is compliant with XBRL specifications, including:
	• XBRL specification 2.1
	• Dimensions specification 1.0

- Generic Linkbase specification 1.0

Best Practice

Taxonomy best practices are described by a number of disparate sources at a macro and micro level. These include, but are not limited to:

- XBRL International, in particular its Financial Reporting Taxonomy Architecture (FRTA) and by the Interoperable Taxonomy Architecture (ITA) project - a joint initiative of the IFRS Foundation, Japanese FSA, US SEC and European Commission in its ITA (unpublished) & Global Filing Manual (GFM).
- European taxonomy best practices established by groups such as the Eurofiling Banking COREP/FINREP project.
- Other leading taxonomy development and proof of concept projects in the area of insurance and Solvency II, for example Project RAIN conducted by the Bermuda Monetary Authority.

We encourage EIOPA to identify which rules and best practices it intends to apply.

While we commend the approach taken to reuse the extensive work performed by the Eurofiling Group for Basel II, we note, for example, that the taxonomy is based on an earlier version of this group's taxonomy development representing a presentation-centric approach to modelling the underlying content.

Subsequent modelling by the COREP and FINREP taxonomies use a Data Point Model (DPM) approach.

We encourage EIOPA to align approaches with that adopted by the EBA to:

- Achieve consistency in roll-out and application of XBRL for regulators and supervisors in Europe (noting that many jurisdiction agencies are combined banking and insurance), vendors and preparers.
- Ensure the naming of the reporting items can be well understood by none XBRL specialists and enhance the ability to map data to internal databases/systems/data warehouses by users
- Facilitate reuse of data definitions, encourage harmonisation and normalisation of data points, and ensure ease of maintenance of taxonomies

Additional Micro-level Observations

By way of example, and symptomatic of the presentation-based approach to taxonomy building employed, we note that the taxonomy naming conventions used for the concept id's, names and labels differ from those observed in common practice. That is:

	• The id naming is not constructed from the prefix + element name (FRTA paragraph 2.1.5); • The element names and corresponding labels are based on the presentation sequence. Concepts should not be defined with any relation or reference to the presentation order or hierarchy (FRTA paragraph 2.1.14). We note that FRTA (2005) is currently under revision by XBRL International.
11.1.	Our assumption to this question is that the interpretation of the taxonomy refers to the mapping of elements to the template and does not include any form of consultation on the template itself. The template distributed by EIOPA as part of this consultation has been used for this purpose. The mapping of the taxonomy to the template would be facilitated if the taxonomy exactly follows the structure of the template. Hierarchically this is the case, but this is not the case for the order of the individual items. We also refer to our response to comment 11 on the presentation centric approach of the Solvency II taxonomy in comparison to the data centric approach taken by EBA for the new COREP/FINREP taxonomy in development. We encourage EIOPA to investigate the impact of both approaches on criteria like ease of use, whether the naming of the reporting items can be well understood by none XBRL specialists, the maintenance effort to keep the taxonomy aligned with Solvency II regulation developments, the ease of use in linking the taxonomy to reporting systems of filing insurers to lower the administrative burden and the ease of data collection by national regulators and EIOPA.
11.1.1.	The technology aspects of the hierarchical organisation (BS_C1) can be appropriately mapped to the business aspects. We have no comments in addition to our views as stated under 11. and 11.1.
11.1.2.	The taxonomy provides a free format for entities to store their information. The fields can be interpreted differently between or within organisations. Putting restrictions on these fields (such as drop down boxes) would structure the information and would avoid proliferation of terms and descriptions. The requested information is very detailed and for many instruments this information is stored at the investment manager. Hence in order to report, the investment manager must provide the data to the insurer. Many reporting lines will therefore have to be set up between the insurer and their investment managers in which also the risk resides of mismatching systems

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	and different datasets used. The adoption of the Solvency II taxonomy can greatly support the consistent set up of these reporting flows. Therefore it underlines our comments as stated under 11. and 11.1.
11.1.3.	The technology aspects of the large number of breakdowns (TP_NL_E3) can be appropriately mapped to the business aspects. Requested information seems to be complete. We have no comments in addition to our views as stated under 11. and 11.1.
11.2.	See comment 11.1. Terminology and nomenclature are clear.
12.	The taxonomy will need to be implemented by both insurers as well as national regulators that collect the Solvency II data. We have therefore made a distinction between these groups of users of the taxonomy. With respect to the insurers that are requested to use the Solvency II taxonomy to produce the Solvency II reports, a number of scenarios can be considered. 1. A spreadsheet based reporting template can be created by the regulator that is pre-mapped and provide organisations with this template to create the Solvency II report. The pre-mapped spreadsheet solution can generate the XBRL report in the back. 2. Regulators can provide an online solution to enter the data by using electronic forms that are generated by the taxonomy. The web application generates the XBRL report in the back. 3. A filer can directly link the taxonomy to its own reporting system. As a result the XBRL report can be automatically generated from the insurers' reporting system. The expected cost for implementing these scenarios are very different, ranging from €50.000 to over €250,000. Based on client discussions the expected cost as perceived by our clients for the implementation of the taxonomy is estimated to be around €250.000. Also many clients however indicate that XBRL implementation is currently not high on the agenda. From a regulator perspective the cost for implementing the taxonomy consist of implementing a data collection and analyses systems to enable insurers to file their Solvency II XBRL reports.
12.1.	Filer perspective: The expected cost for implementing the scenarios outlined in 12. are very different, ranging from €50.000 to over €250,000. Based on experience the expected cost for the implementation of the taxonomy is estimated to be around €250.000. Also many clients however indicate that XBRL implementation is currently not high on the agenda.

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	Many companies face that not all subsidiaries currently report in the desired format/frequency/ granularity. Local adjustments to the required format should be expected (especially for non-EU subsidiaries). Based on group versus local reporting decisions many reporting lines still have to be set up or adjusted and will influence the compliance/ implementation costs. As many banks are also impacted by this, we encourage EIOPA to align the developments and approaches to the design and maintenance of the Solvency II taxonomy with EBA (see also comment 11). Regulator perspective: From our experience with the implementation of XBRL based data collection and analyses systems for regulators, the cost for implementing can be estimated in the range of € 250,000 to € 1.200,000. We encourage EIOPA to support national regulators with the implementation and adoption of the Solvency II taxonomy and encourage national regulators to use the Solvency II taxonomy for the local data gathering. This would enable companies that are active in multiple countries to use the same reporting format everywhere. By enabling National regulators to extend the Solvency II taxonomy for national regulations, would also limit the implementation cost for National regulators to collect the data.
12.2.	see comment 12.1
12.3.	Filer perspective: Based on our experience on Solvency II, depending on size and number of subsidiaries and potential adjustments (calculations) required in the mapping this is estimated to 2-3 months. This is consistent with our experience in other reporting domains. Regulator perspective: Based on our experience with other regulators on the implementation of data collection systems, the time required for the implementation can be estimated to 6-9 months.
13.1.	For both filers and regulators, the on-going costs for the implementation are difficult to estimate, because the costs are highly dependent on the design and implementation approach used for the development of the Solvency II taxonomy and the adoption approach taken by EIOPA and National regulators. (see also response to comment 11. and 11.1).

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		To gain insight in the different approaches we encourage EIOPA to learn from other projects that publish international taxonomies, like FASB and IFRS Foundation.
13.2.		see response to comment 13.1.
13.3.		see response to comment 13.1.
14.		• Adjustments in accounting standards in due future (e.g. IFRS) will have an impact on the methodologies and will consequently also impact the taxonomy. Since the adjustments are still unknown the taxonomy will have to be updated to meet the new accounting standards. • The existing report from subsidiaries to Group will have to be adjusted to include the taxonomy at the lowest possible level. Newly acquired entities will have to be prepared to also report in the required format/taxonomy. This will require more work especially for non-EU acquisitions by EU insurers.
15.		• Mistakes in the mapping of data to the XBRL taxonomy can lead to erroneous outcomes. Especially if also calculations will have to be executed in the mapping. Multiple internal mappings (between subsidiaries and group for example) could also increase the risk of errors. • Availability of data in electronic format: Currently not all information is available at the same time. Stocks for example can be updated on a different basis compared to the reporting frequency and also for ad hoc reporting different datasets will be used. Since many firms are still adapting their systems to retrieve the information quicker the current reports will still contain information from different datasets and periods making it difficult to compare and aggregate data. Manual data entry would pose a risk to the quality of the data. Therefor the better the taxonomy is aligned to the common practices to process and store this data, the higher the quality of the data.
16.		• Non-EU subsidiaries will have to adjust for XBRL solely for reporting purposes and will have no local purpose/ incentive. • XBRL implementation will have a larger impact (% wise on Solvency II budget) on smaller insurers than larger insurers. • The investment manager's IT system should contain detailed information regarding Investment Data (AS_D1). Shortcomings to their system will have to be adjusted to meet their client's (insurers) request for detail. • From a supervisor's perspective: If the implementation of XBRL is not pursued locally then business adjustments of local insurers (such as acquisitions or divestments) will have a significant impact on the regulator as they will have to map their local taxonomy to EIOPA's XBRL taxonomy. When XBRL is implemented locally the insurer will have to update the (mapping of the) taxonomy

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	themselves.	
17.	Not applicable	
18.	Yes, this approach allows preparers to describe their products while not requiring that they extend the taxonomy by adding xbrl:domain members. In this way the amount of required XBRL knowledge is limited by the user. This will also make the creation of software and/or implementation easier as the taxonomy application is more predictable. Where business characteristics are capable of being enumerated, we encourage that Typed dimensions are used in conjunction with and combined with explicit dimensions to best represent the closed nature of the restrictions imposed on the data. (e.g. to represent a list of countries) We note that the application of the typed dimension approach to this taxonomy is template by template. We encourage EIOPA to consider a data modelling approach applied across all the templates, which may lead to more normalised metadata and ultimately greater consistency of data collected.	
19.	We do not necessarily agree with this statement on two grounds: • It is common practice to use "fr" for Financial Reporting taxonomies • Some of the sample files use "pr" in the URI. Query whether naming conventions constructed in this way and with this detail are necessary as they lead to complexity. From our experience, the simpler the construction of the namespace, the easier it is to maintain the taxonomy. E.g "http://www.eiopa.europa.eu/solvencyii/".	
20.	We do not agree with this statement. Please refer to comment # 11. Labels should not contain a reference to the hierarchy of the concepts in the presentation linkbase. We encourage EIOPA to follow the approach documented in FRTA, ITA and GFM.	

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21.	Common practice is to reflect the version of the taxonomy in the namespace and location. For example COREP version 1 july 2006 has the name and location of the taxonomy defined as http://www.c-ebs.org/eu/fr/esrs/corep/2006-07-01/t-kri-corep-cs-2006-07-01. Most applications processing instance documents use this information to determine the way the information is to be processed. Adding the version of the taxonomy (e.g. 2006-07-01) also as an XML processing instruction as part of the taxonomy would be redundant. Redundant information requires additional maintenance effort and introduces additional risks when the version information is not provided consistently. In conclusion we disagree with this statement.