

## Status of problematic EBA Validation Rules

### Read Me

#### 1. Introduction

This document is a complement to the Excel file named “Status of problematic EBA Validation Rules” the reader will find on CSSF’s website:

[http://www.cssf.lu/fileadmin/files/Reporting\\_legal/Recueil\\_banques/CSSF\\_status\\_of\\_problematic\\_EBA\\_Validation\\_rules.xlsx](http://www.cssf.lu/fileadmin/files/Reporting_legal/Recueil_banques/CSSF_status_of_problematic_EBA_Validation_rules.xlsx)

The Excel file contains both (1) a list of EBA “Problematic” Validation rules that has been subject to questioning either by reporting entities or by the CSSF itself and (2) the latest official list of EBA Validation rules (also available on [EBA’s website](#) depending on the latest applicable taxonomy).

EBA Problematic Validation rules generally lead to the opening, either by the reporting entity or by the CSSF, of an EBA Q&A after the problematic nature of the rule has been assessed by the CSSF. While reporting entities are required to follow closely the publication of EBA Q&As and comply with its conclusions, the CSSF intends to provide a support - in particular - as regards validation rules that have been causing troubles to Luxembourgish reporting entities. Nevertheless, it should be kept in mind that **the objective of the CSSF is to stay aligned as much as possible with the official EBA list of validation rules** since a precocious deactivation of any validation rule could lead to a massive and undesirable resubmission process.

Furthermore, reporting entities are encouraged to contact the CSSF in case they are struggling to comply with one of the problematic validation rules as those could hold for some reporting entities under certain conditions. Therefore, **those rules shall not be blindly ignored only because of their presence on the list.**

#### 2. Scope

CRR<sup>1</sup> institutions (namely “credit institutions” and “investment firms”) as well as the software providers offering their services to those institutions.

#### 3. Introduction of “Error” severity status (2.9 taxonomy)

Following the introduction of the “Warning” severity status alongside the 2.8 taxonomy (starting from Q4 2018), the EBA, together with National Supervisors, has decided to launch a discussion as regards the need for a distinction between “Blocking” and “Non-Blocking” EBA validation rules. We finally came up to the conclusion that the implementation of the “Warning” severity status

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<sup>1</sup> Regulation (EU) No 575/2013

would entail the merger of both “Blocking” and “Non-Blocking” EBA validation rules into a new “Error” severity status (as from Q4 2019).

For the sake of clarity, the EBA added an additional column to the official list of EBA validation rules named “Severity OLD” next to the column “Severity” in order for the reporting entities to track severity status changes between the “old” and the “new” approach.

The approach chosen being very close to the one that has been adopted by the CSSF since the beginning of the EBA European harmonized reporting, **it is not expected to have any impact on Luxemburgish reporting entities.**

As a reminder, the CSSF has always been treating the “Non-Blocking” validation rules exactly the same way as the “Blocking” ones, namely a “rejection” of the reporting module until final compliance of the reporting entity (except for validation rules subject to an EBA Q&A).

The CSSF would also like to recall to reporting entities that **all validation rules are applicable and equally binding and that ultimately, the veracity of reported data is the responsibility of the reporting entity itself.**

Hence, reporting entities will be required to treat “Error” EBA validation rules the same way as they have been treating “Blocking” and “Non-Blocking” EBA validation rules in the past.

#### **4. The “Warning” severity status**

Validation rules with the severity status “Warning” are equally binding in the sense that they shall also be considered and closely monitored by reporters. **Explanations about failure should be provided to the CSSF where needed**, i.e. reporters are expected to analyze the results of “Warning” validation rules and verify and revise the data, if necessary. Some warnings may not be applicable to all reporters, in all circumstances, or to all reference dates. As such, not meeting them will not necessarily prevent the successful submission of data. “Warnings” may become “Error” validation rules in the future. Where feasible and prudent, new validation rules will likely be introduced as warnings initially in order to assess the quality of the rule and its applicability across all reporting entities without exception.

The CSSF recommends the reporting entities to put a special focus on EBA validation rules that changed from a “Warning” to an “Error” severity status since a simple explanation sent via email will not be sufficient to justify the breach of an EBA validation rule with the newly introduced “Error” severity status.

#### **5. Resolution reporting templates**

For the first time, reporting entities will have to submit an XBRL version of the Resolution reporting templates for Q4 2019 data.

Please be aware that the questions relative to those templates - whether they relate to the content itself or to the transmission of the XBRL file - should be addressed to the Resolution Department (see contact persons).

## 6. EBA Q&A Tool

Where reporting entities are of the opinion that they can only comply with the reporting requirements set out in the applicable reporting standard if they breach a validation rule of the type “Error”, they should contact the CSSF (see contact persons) and submit a Q&A to the [EBA Q&A Tool](#).

In case an EBA Q&A is submitted by a reporting entity, the CSSF should be informed by email such that the validation rule can be included to the published list of problematic validation rules.

The email should contain at least the question ID (example: 2019\_4823) and the content of the question.

The CSSF invites the reporting entities to provide their feedback especially when a new taxonomy is introduced since new data are likely to be subject to newly introduced validation rules.

## 7. Contact persons

For questions related to **EBA Resolution templates**, please write to the following email address:

[res\\_resol@cssf.lu](mailto:res_resol@cssf.lu)

For **any other** question:

[ReportingBanques@cssf.lu](mailto:ReportingBanques@cssf.lu)