



19th XBRL International Conference

“Reducing regulatory burden with XBRL: a catalyst for better reporting”

June 22-25, 2009

Paris, France

Track4

**Assurance on XBRL F/S filed
by Listed Companies in Japan**

KPMG(AZSA), Advisor ,CPA, CISA

Akira Matsuo

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Japanese Current status(1)

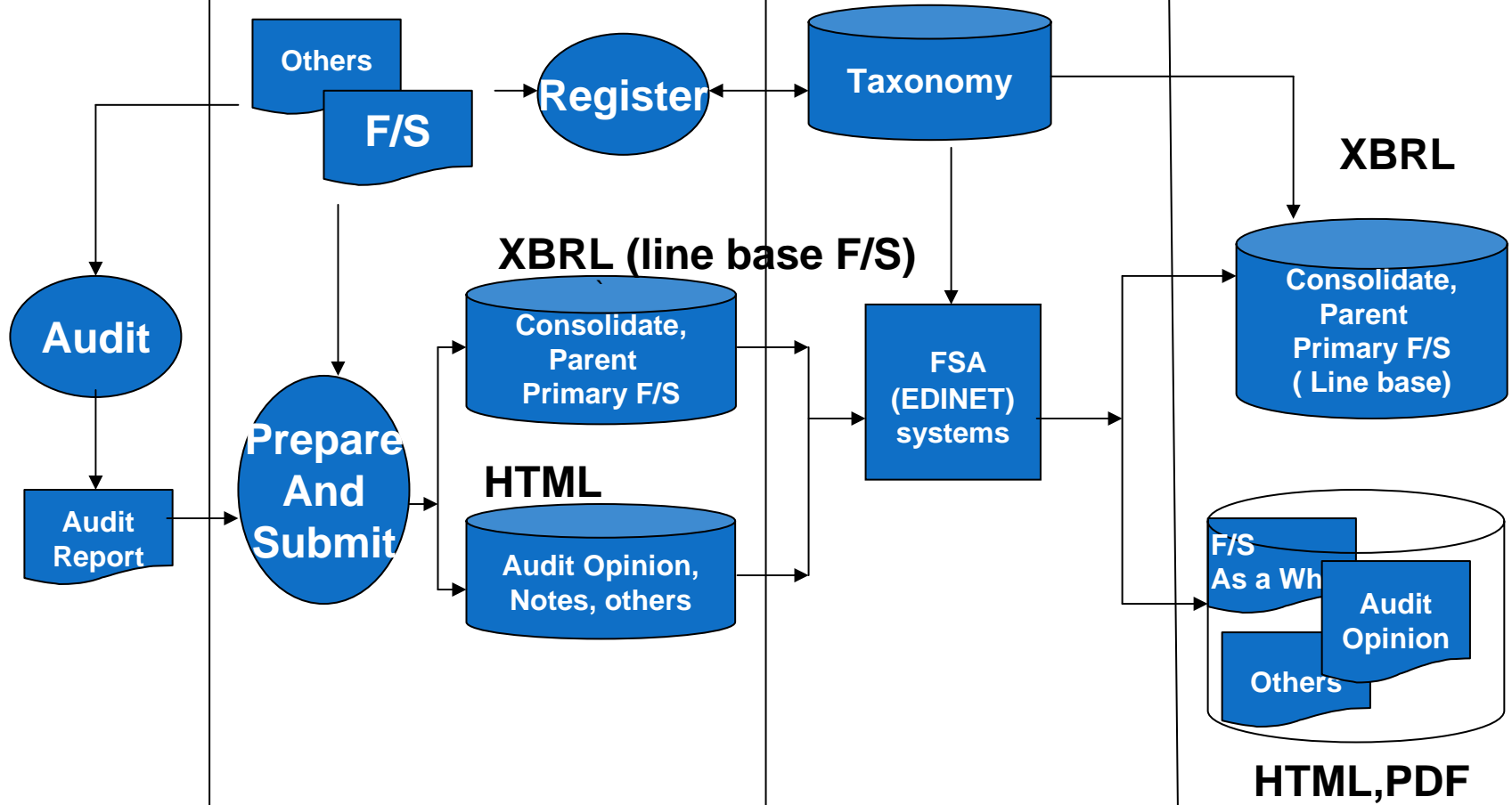
- ▶ XBRL Financial Disclosure Requirement
 - Started April 2008
 - Expecting about 5,000 listed entities at the end of Jun.2009) and about 3,000 funds
- ▶ Only primary F/S (Consolidated and parent, without note), HTML for other parts
- ▶ Only FSA systems generate public disclosed Primary F/S (PDF or HTML), no registration requirement for electronic paper primary F/S (HTML nor PDF)

Auditor

Listed Entities

FSA system

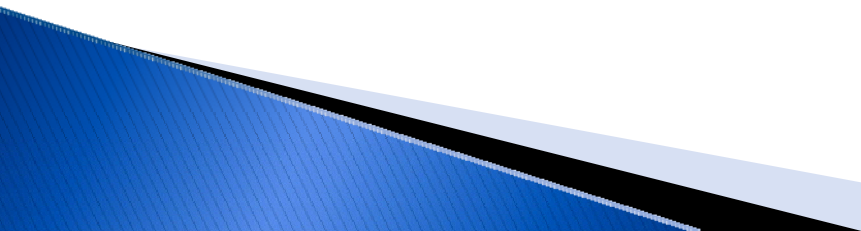
FSA Disclosure



Japanese current status(2)

- ▶ Only Audit opinion on paper based F/S
- ▶ No assurance opinion on XBRL data
- ▶ Most of the listed entities input their XBRL instance data through two F/S printing companies' systems
- ▶ The tight Edit/Validation check of the printing companies' systems contribute smooth transition of the disclosure
- ▶ Some number of extended taxonomies and instance documents contain some problems (very low percentage)

Issues for the FSA F/S disclosure

- ▶ the FSA system only generate public disclosed F/S (electronic) for listed companies
 - ▶ Auditor only audits paper based F/S at an entity
 - ▶ No assurance opinion on agreement of paper based F/S and the FSA system generated F/S
 - ▶ English disclosure is not formally required
- 

Practical Solution Discussion(1)

- ▶ EDIT/Validation program of the public disclosure system may improve the reliability of data, two printing companies' tight edit/validation procedure have contributed, though
- ▶ Integrity of input and output data of the FSA disclosure system shall be accounted for by an entity (as an assertion of management)?
- ▶ Should an auditor assures agreement of paper based audited F/S and output F/S from the FSA disclosure system? US requires electronic paper based F/S (PDF,HTML).
- ▶ Any international standard for English label usage as a taxonomy (IFRS taxonomy ?)

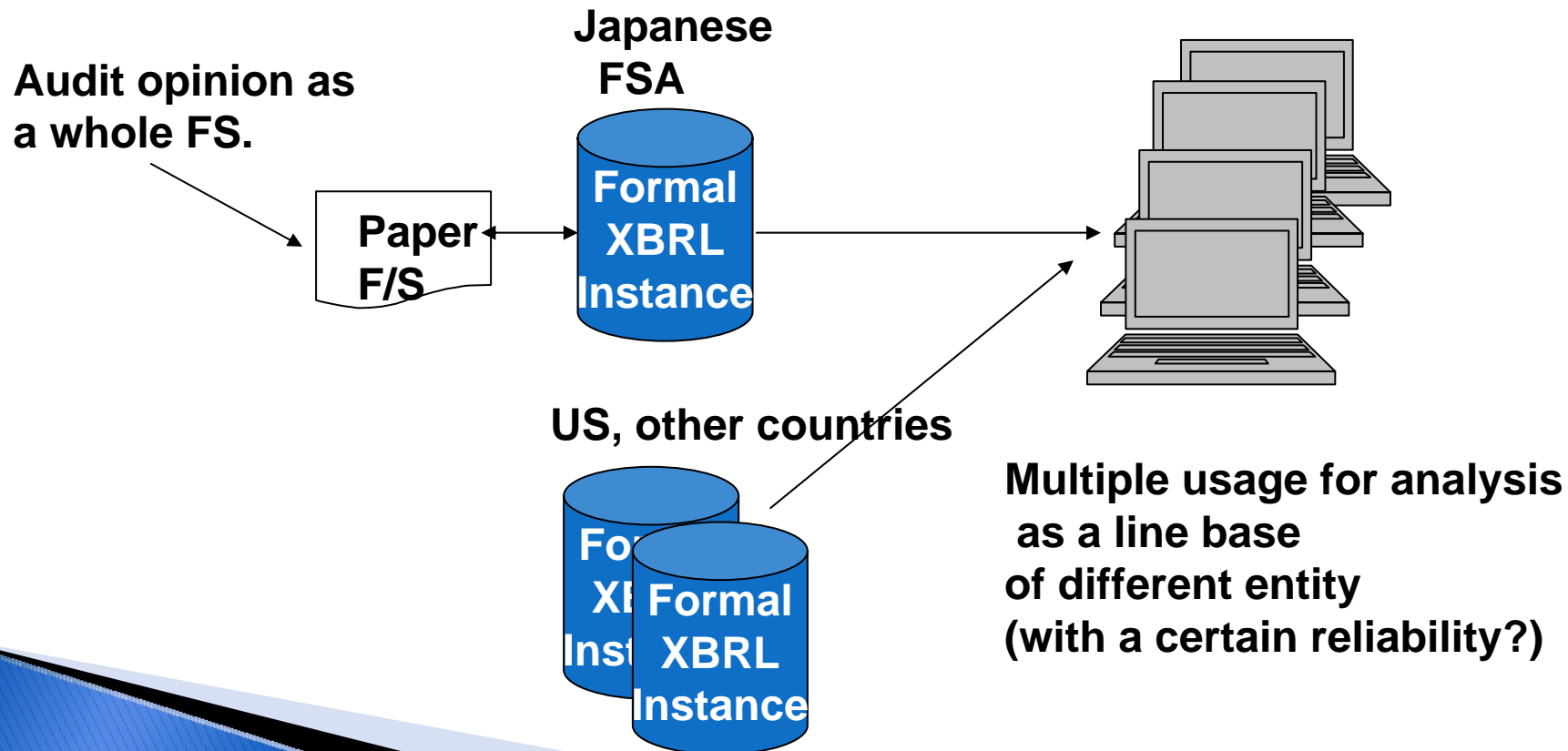
Users' expectation

- ▶ Timely comparability analysis by a line base
 - XBRL benefit dream ?
 - Any direction for the dream?
 - Taxonomy,
 - Accounting method
 - Different jurisdiction?
 - Local requirements tax, others
 - On line disclosure ?

Assurance/Audit and Expectation

Assurance /Audit

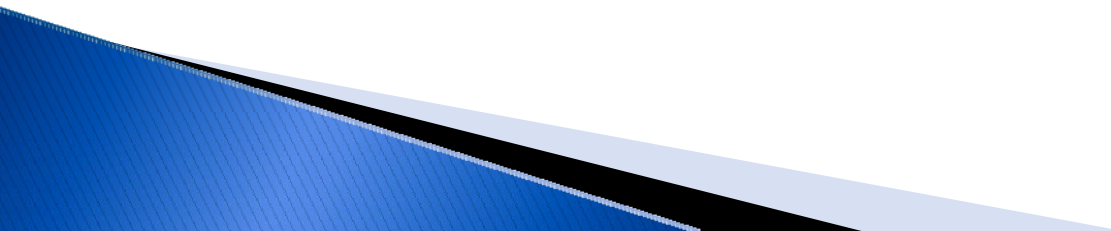
Expectation of Users



Issues for line data assurance

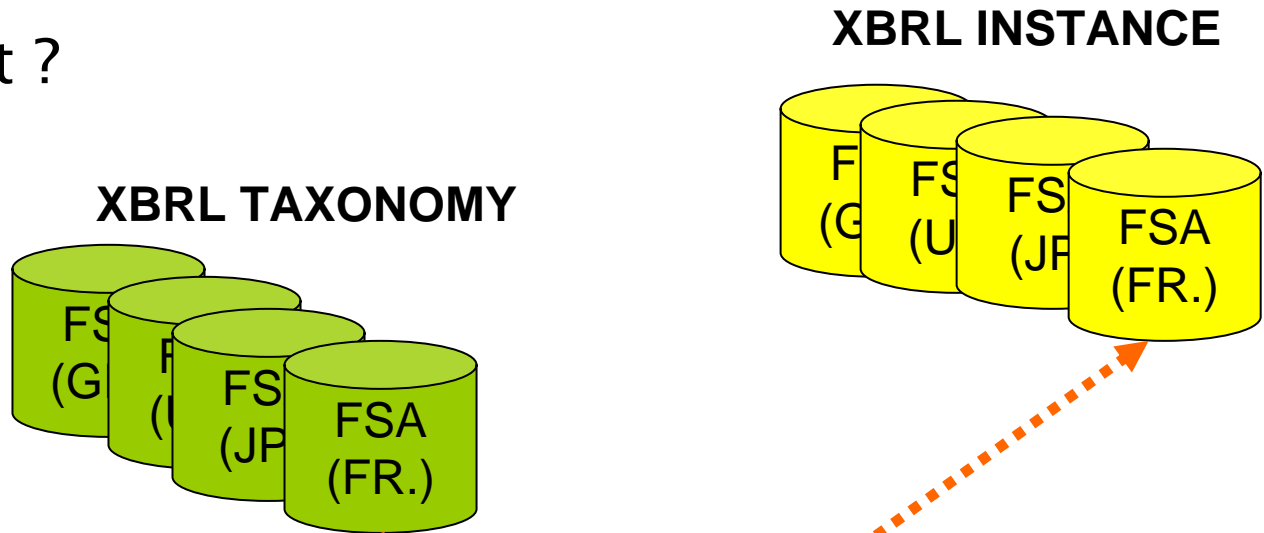
- ▶ Auditor's capability
 - XBRL technical capability
 - Internal control for a public disclosure system
 - Only disclosed through the public disclosure system
 - Who will account for the system?
 - Who will account for the data?
- ▶ User's Expectation
 - Reliability of financial data
 - Higher reliability assurance expectation ?
 - Same level?
 - Do they understand current assurance level?
 - How assured data are identified?
 - Multiple entities in different countries?
 - Comparability
 - IFRS taxonomy?

Practical Solution Discussion (2-1)







- ▶ Audit framework could not be modified within foreseeable future
 - ▶ Current audit framework shall be maintained for issuing opinion on F/S as a whole
 - ▶ A line item disclosure may require a certain level of assurance
- 

Assured Mark? Comparability?

- ▶ Assured what ?



Sales Analysis Report

Company	A (Fr.)	B (JP.)	C (US)	D(Gr.)
Sales	200,000 	250,000	300,000 	230,000 
Inventory	5,000 	3,000 	6,000	4,000 
Turn	40	83	50	57

Reality!

ラベル言語: 英語 冗長ラベルを表示 入力値のみ表示 注記を表示

検索対象 要素

(単位: 百万円)

要素	注記	前連結会計年度 (自平成19年4月1日 至平成20年3月31日)		当連結会計年度 (自平成20年4月1日 至平成21年3月31日)	
		注記	値	注記	値
Consolidated statements of ...					
Net sales			10,824,238		8,436,974
Cost of sales	※1		8,407,398	※1, ※2	7,118,862
Gross profit			2,416,840		1,318,112
Selling, general and admini...					
Advertising expenses			275,857		223,542
Service costs			73,236		57,968
Provision for product war...			95,408		92,093
Other selling expenses			395,095		259,342
Salaries and allowances			381,673		377,456
Retirement benefit expen...			35,719		37,151
Supplies expenses			7,527		6,264
Depreciation			75,742		78,020
Provision of allowance fo...			43,776		94,941
Amortization of goodwill			7,565		6,494
Other			234,412		222,762
Total selling, general and...	※1		1,626,010	※1	1,456,033
Operating income (loss)			790,830		△137,921
Non-operating income					
Interest income			25,343		18,663
Dividends income			2,862		4,048
Equity in earnings of affil...			37,217		(Nil)
Foreign exchange gains			(Nil)		5,012

閉じる

XBRLダウンロード

親/子	PDF	XBRL 条件
		<input checked="" type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

XBRLダウンロード

Ideal Dream ?

▶ French FSA Systems

- Validate and create
 - Sales (in English ?)
 - Amount 200,000 (Currency?)
 - Company Name Renault ?
 - Period 2009.1.1–2009.12.31
- Issues
 - Language ?
 - Currency conversion ?
 - Different period ?
 - Accounting method ?

Practical Solution Discussion(2-2)

- ▶ May use security technology to identify that the line item is a part of F/S disclosed on the public disclosure system
(the system should be similar one with like a PKI assurance check procedure, readers should identify the agreement by themselves)
- ▶ Assured mark may attached to a line item of a F/S disclosed in other reports.
 - Who and how should be discussed?

Thank you!

- ▶ If you have any question
 - Please contact
akira.matsuo@jp.kpmg.com

Member of JICPA IT committee , XBRL group
Professor of Graduate School of Profession
Accountancy, AOYAMA GAKUIN UNIVERSITY