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Application and Use of XBRL for Small Business

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Application and Use of XBRL in Small Businesses

- 1.6 million filings In Line XBRL in UK by 2011
- 1.3 million filings XBRL in Italy 2011
- 2.1 million SBR filings in Australia

- We simplified the regulators' job with XBRL, we imposed additional reporting burden, is there evidence of use, even by regulators?
- XBRL GL for internal reporting,
 - Oracle and SAP



Who is a small business?

- Companies filing a set financial statements
- Small business with \$5 M - \$50 M
- COSO defines “Smaller” companies as less complex companies
- Often listed in public exchanges
- Some entities have audit function
- All file tax returns
- Often no regulatory reporting



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Typical Regulatory Arguments for The Mandate

- Removing unnecessary or duplicated information from government forms
- Using business software to automatically pre-fill forms (UK)
- Adopting a single reporting language, based on international standards and best practice
- Making financial reporting a by-product of natural business processes
- Making regulatory monitoring function work better
- Savings in filing process, space, an



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Potential applications of SBR, UK Tax Inline XBRL, Italy XBRL for small Business reporting

- SBR allow use of Quicken and QuickBooks
 - Focus on various business forms and financial reports
- UK Tax not designed for small business, but can we use data for developing business policies
- Italy XBRL primarily focused on small business and financial statements and footnotes



XBRL
eXtensible Business Reporting Language

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What is missing from XBRL reporting for large public companies?

- Use and application of XBRL data
 - Some evidence regarding the use of SEC filings:
 - Built-in limitation, XML is for real time reporting, accounting external reporting is annual reporting
 - Almost no evidence of XBRL use by small businesses
 - Does XBRL provide incremental information for use?



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Benefits of current XBRL filings for Small Business -if you have access to

- Some demographic information:
 - Number of entities per sector,
 - Identify growth in sectors, regions, business form
- Identify areas where government can promote certain policy (e.g., green technology)
- Business analytics
 - Identify efficiency and effectiveness within
 - Audit issues : demand and supply for audit services
 - Non-financial information
 - Employment trends
 - Ownership trends
 - Supply chain information
 - Governance information
 - Comparisons and performance measurements
 - Opportunity for analysis of “integrated reporting”



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Regulators are happy now, who else is happy?

- Regulators need to understand the value of free information and easy access
- More users involvements: is there anyone using all 22000 tags
- Is there market solution to XBRL document assurance



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