



# Streamlining IFRS reporting with XBRL

Wednesday 28 October, Montreal

The views expressed in this presentation are those of the presenter,  
not necessarily those of the IASB or IFRS Foundation.

# Agenda

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1. Update on XBRL activities @ IASB and IFRS Foundation  
*Olivier Servais, Director – XBRL Activities IFRS Foundation*
2. China' implementation status  
*Wei Madame Ying, Director, Ministry of Finance, PRC*
3. Reporting with the IFRS Taxonomy in SAP BO Disclosure Management  
*Maciej Piechocki, Director, Cundus AG*
4. IFRS 7 and the SEC's Mandate: a Canadian Bank's Perspective  
*Rory O'Leary, Senior Manager | Chief Accountants, TD Bank*
5. Conceptual Framework for Financial Reporting Taxonomies  
*Christine Tan, XBRL Project Manager, Financial Accounting Standards Board*
6. Preparing financial statements with IFRS taxonomy  
*Lou Rohman, VP, XBRL Strategy and Development, Merrill Corporation*
7. Climate Change Reporting Taxonomy - a step forward towards integrated reporting  
*Pedro Faria, Technical Director, Carbon Disclosure Project*

## Roundtable

# XBRL activities @ IASB and IFRS Foundation

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# Agenda

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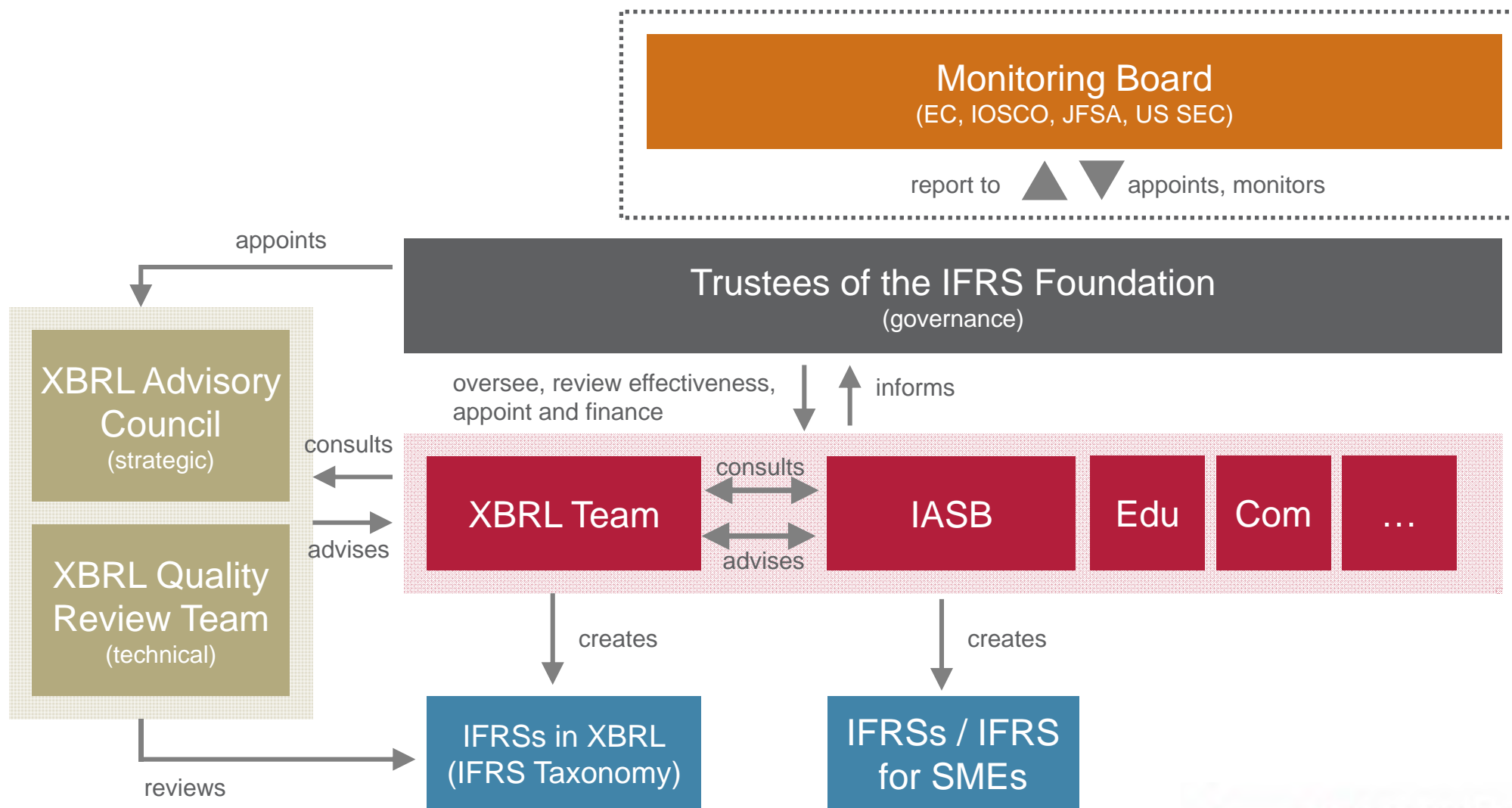
- Governance of XBRL activities at IASB & IFRS Foundation
- Coverage of the IFRS taxonomy
- Adoption of the IFRS taxonomy
- Formula linkbase
- The reception by investors and analysts

# The coverage of the IFRS taxonomy

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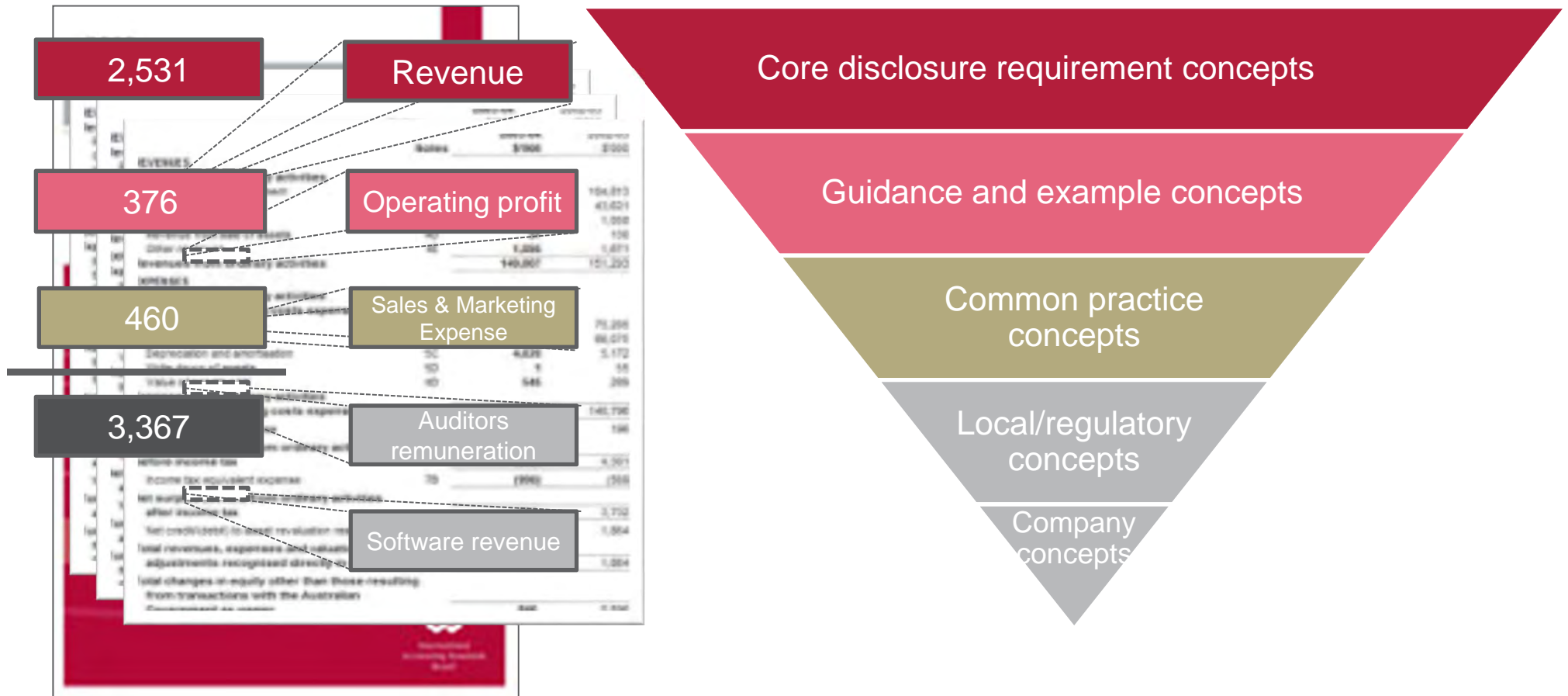
# IASB, IFRS and XBRL governance

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# An IFRS Preparer Taxonomy Building Blocks

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# What to disclose?

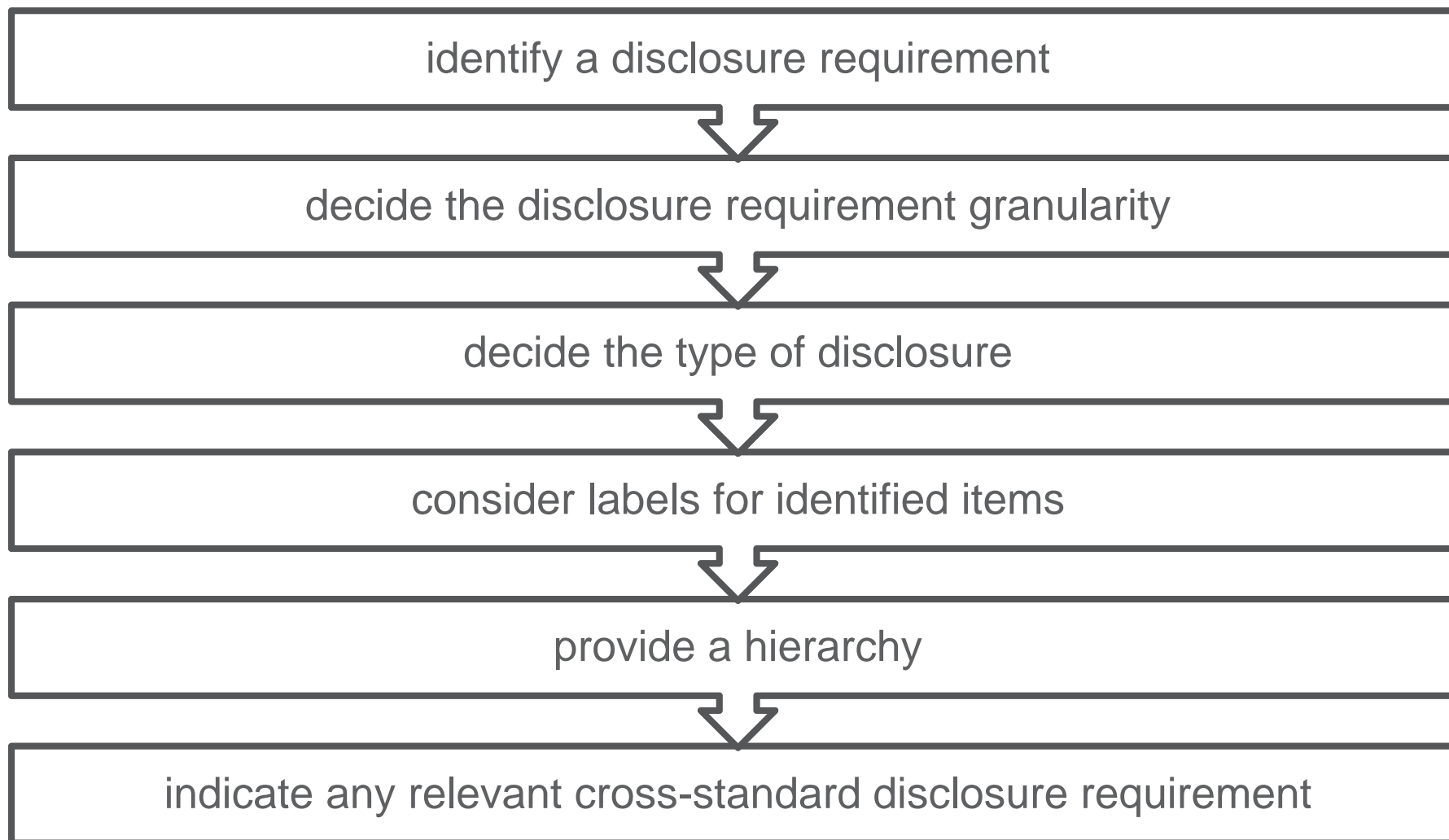
73 The financial statements shall disclose (...) for (...) **property, plant and equipment**:

- a) the **gross carrying amount** and the **accumulated depreciation** (aggregated with accumulated impairment losses) at the beginning and end of the period; and
- b) a **reconciliation of the carrying amount** at the beginning and end of the period showing:
  - i. additions;
  - ii. assets classified as held for sale or included in a disposal group classified as held for sale in accordance with IFRS 5 and other disposals;
  - iii. acquisitions through business combinations;
  - iv. increases or decreases resulting from revaluations under paragraphs 31, 39 and 40 and from impairment losses recognised or reversed in other comprehensive income in accordance with IAS 36;
  - v. impairment losses recognised in profit or loss in accordance with IAS 36;
  - vi. impairment losses reversed in profit or loss in accordance with IAS 36;
  - vii. ...



# Process and challenges for content

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# IFRS Taxonomy Illustrated

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[822100] Notes - Property, plant and equipment		
Disclosure of property, plant and equipment [text block]	text block	IAS 16 - Disclosure Disclosure
Disclosure of detailed information about property, plant and equipment [text block]	text block	IAS 16.73 Disclosure
Disclosure of detailed information about property, plant and equipment [abstract]		
Disclosure of detailed information about property, plant and equipment [table]	table	IAS 16.73 Disclosure
Classes of property, plant and equipment [axis]	axis	IAS 16.73 Disclosure
Property, plant and equipment [member]	member [default]	IAS 16.73 Disclosure, IAS 17.31 a Disclosure, IAS 36.12 Example
Land and buildings [member]	member	IAS 16.37 b Example
Land [member]	member	IAS 16.37 a Example
Buildings [member]	member	IAS 16.37 Common practice
Machinery [member]	member	IAS 16.37 c Example
Vehicles [member]	member	IAS 16.37 Common practice
Ships [member]	member	IAS 16.37 d Example
Aircraft [member]	member	IAS 16.37 e Example
Motor vehicles [member]	member	IAS 16.37 f Example
Fixtures and fittings [member]	member	IAS 16.37 g Example
Office equipment [member]	member	IAS 16.37 h Example
Tangible exploration and evaluation assets [member]	member	IFRS 6.25 Disclosure
Construction in progress [member]	member	IAS 16.37 Common practice
Other property, plant and equipment [member]	member	IAS 16.37 Common practice

# The IFRS Taxonomy Illustrated with versioning information

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Disclosure of financial liabilities [text block]	text block	IFRS 7 6
Disclosure of financial liabilities [abstract]		
Disclosure of financial liabilities [table]	table	IFRS 7 6
Classes of financial liabilities [axis]	axis	IFRS 7 6
Financial liabilities [member]	member [default]	IFRS 7 6
<u>Financial liabilities at amortised cost [member]</u>	<u>member</u>	<u>IFRS 7 B2 a</u>
<u>Financial liabilities at fair value [member]</u>	<u>member</u>	<u>IFRS 7 B2 a</u>
<u>Financial liabilities outside scope of IFRS 7 [member]</u>	<u>member</u>	<u>IFRS 7 B2 b</u>
<del>Trade and other payables [member]</del>	<del>member</del>	<del>IFRS 7 6</del>
<del>Other financial liabilities [member]</del>	<del>member</del>	<del>IFRS 7 6</del>
Disclosure of financial liabilities [line items]	line items	
Categories of financial liabilities [abstract]		
Financial liabilities at fair value through profit or loss [abstract]		
<del>Financial liabilities at fair value through profit or loss, classified as held for trading</del> <u>Financial liabilities at fair value through profit or loss that meet definition of held for trading</u>	X <sub>instant, credit</sub>	<del>IFRS 7 8 e ii</del> , <u>IFRS 7 8 e</u>
<del>Financial liabilities at fair value through profit or loss, designated as upon initial recognition</del> <u>Financial liabilities at fair value through profit or loss, designated upon initial recognition</u>	X <sub>instant, credit</sub>	<del>IFRS 7 8 e i</del> , <u>IFRS 7 8 e</u>
Total financial liabilities at fair value through profit or loss	X <sub>instant, credit</sub>	IFRS 7 8 e
Financial liabilities at amortised cost	X <sub>instant, credit</sub>	Effective 2013-01-01 IFRS 7 8 g, <del>IFRS 7 8 f</del> , <u>Expiry date 2013-01-01 IFRS 7 8 f</u>



## Disclosure

Disclosure of property, plant and equipment [text block] Disclosure	text block	822100
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### 73 The financial statements shall disclose, for each class of property, plant and equipment:

#### (a) the measurement bases used for determining the gross carrying amount;

Measurement bases, property, plant and equipment Disclosure	text	822100
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#### (b) the depreciation methods used;

Depreciation method, property, plant and equipment Disclosure	text	822100
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#### (c) the useful lives or the depreciation rates used;

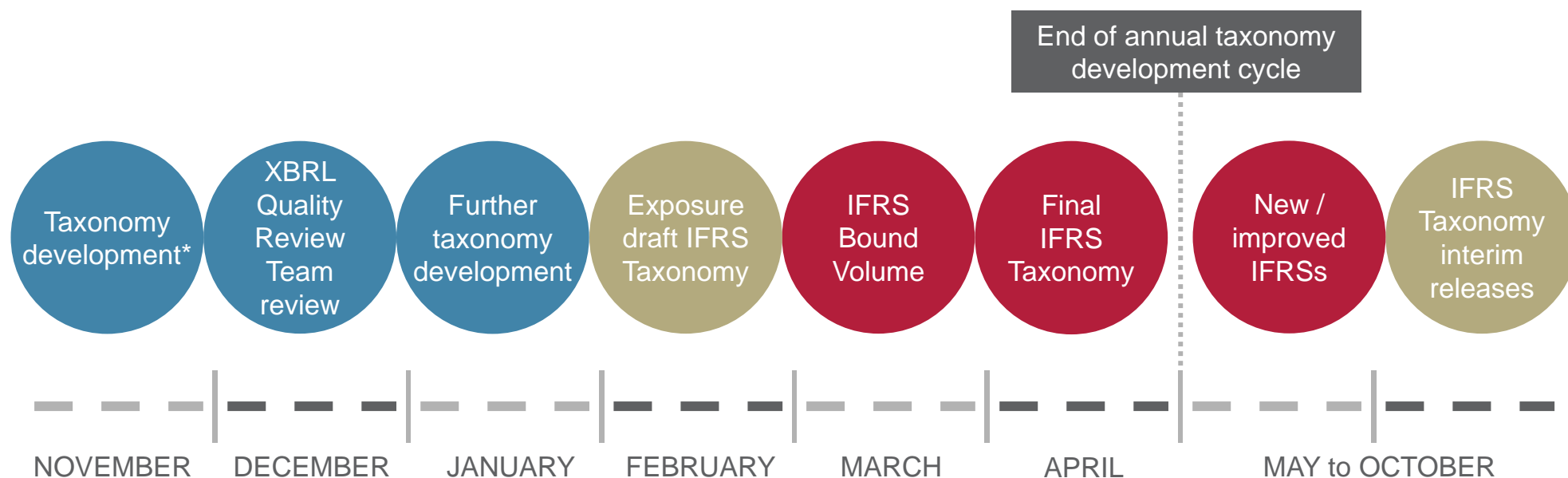
Useful lives or depreciation rates, property, plant and equipment Disclosure	text	822100
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#### (d) the gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and end of the period; and

Accumulated depreciation, amortisation and impairment [member] Disclosure	member	IAS 16.75 b Disclosure, IAS 38.118 c Disclosure, IAS 40.76 c Disclosure, IAS 41.54 f Disclosure, IFRS 3.B67 d Disclosure	817000, 822100, 823180, 824180, 825100
Carrying amount, accumulated depreciation, amortisation and impairment and gross carrying amount [axis] Disclosure	axis	IAS 16.73 e Disclosure, IAS 38.118 c Disclosure, IAS 38.118 e Disclosure, IAS 40.76 Disclosure, IAS 40.79 c Disclosure, IAS 40.79 d Disclosure, IAS 41.50 Disclosure, IAS 41.54 f Disclosure, IFRS 3.B67 d Disclosure	817000, 822100, 823180, 824180, 825100
Gross carrying amount [member] Disclosure	member	IAS 38.118 c Disclosure, IAS 40.76 c Disclosure, IAS 41.54 f Disclosure, IFRS 3.B67 d Disclosure	817000, 822100, 823180, 824180, 825100

# IFRS Taxonomy: annual development time line

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\*including consolidation of IFRS Taxonomy interim releases


# Translations

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- 10+ IFRS Taxonomy translations to date
  - Arabic, Chinese (simplified and traditional), Dutch, French, German, Hungarian, Italian, Japanese, Korean, Portuguese, Spanish
- Translated materials available:
  - IFRS Taxonomy files
  - IFRS Taxonomy Illustrated

		IFRS 2 
		[834120] ملاحظات- ترتيبات الدفع على أساس الأسهم 
IFRS 2.44 Disclosure	text block	الإفصاح عن ترتيبات الدفع على أساس الأسهم [نص]
IFRS 2.45 Disclosure	text block	الإفصاح عن بنود وشروط الانتقال على دفع الأسهم [نص]

Arabic

IFRS 2 		
[834120] Notas - Acuerdos con pagos basados en acciones		
Información a revelar sobre acuerdos con pagos basados en acciones [bloque de texto]	text block	IFRS 2.44
Explicación de las opciones sobre acciones en acuerdos con pagos basados en acciones	text	IFRS 2.45 a
Información a revelar del número y media ponderada de los precios de ejercicio de las opciones sobre acciones [bloque de texto]	text block	IFRS 2.45 b

Spanish

# IFRS Taxonomy Common Practice

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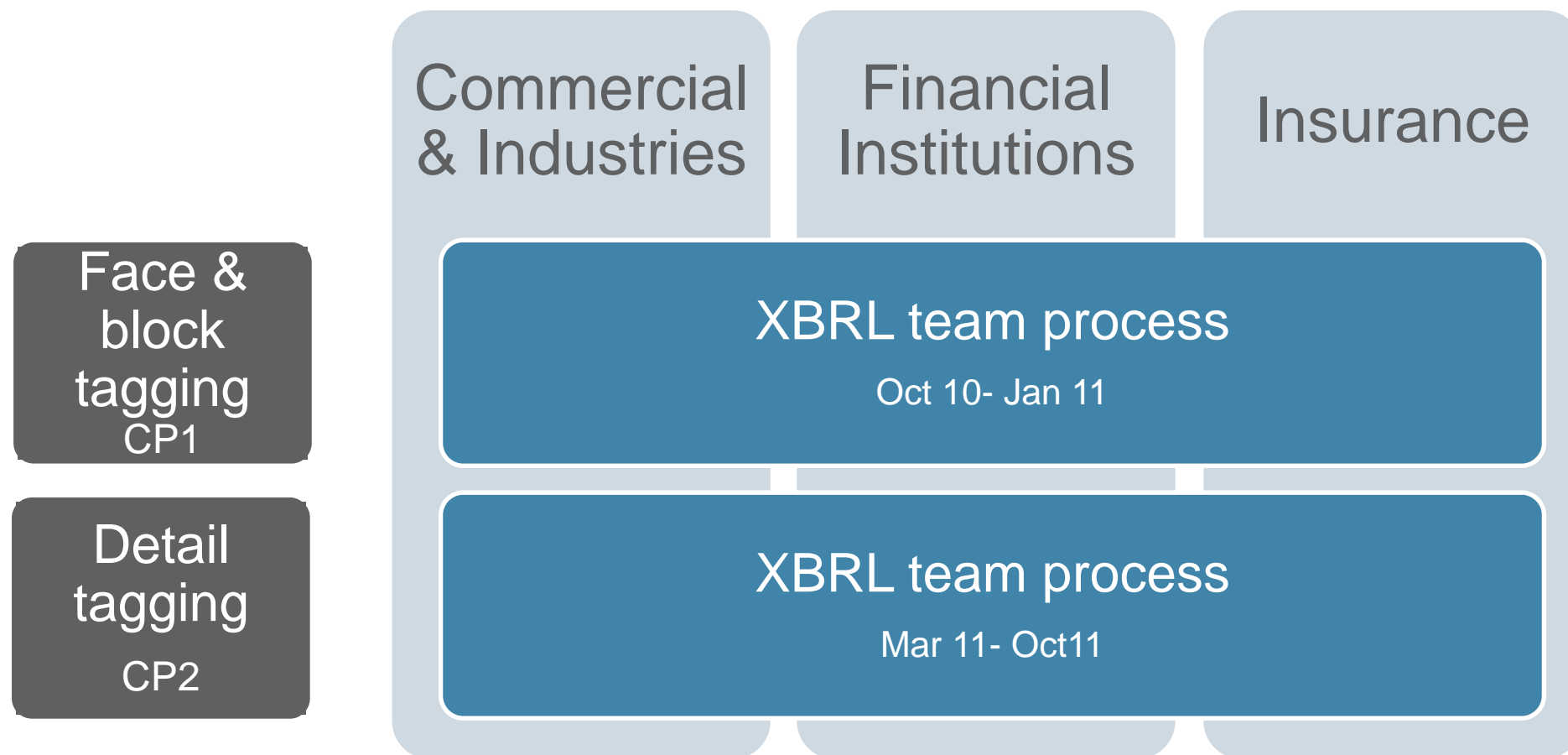
# Identifying and developing extra concepts

- A two-phased project:
  1. “Primary financial statements” & “block tagged” footnotes / schedules and accounting policies, *usually called CP1* – completed ✓
  2. “Detail tagged” footnotes / schedules, *usually called CP2* – work in progress
- A dual effort:
  - Field-testing / working with preparers
  - Empirical analysis of a wide range of financial statements



# Empirical analysis

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# Working with preparers

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# Outcome and lessons learned

- About 250 extra concepts reflecting CP1
- Lessons learned – Positives ones
  - Taxonomy is usable for detailed tagging of the notes by filers
  - Structure of the taxonomy is clear
  - Taxonomy covers all important topics disclosed in the financial statements
- Lessons learned – Less positives ones
  - Minor changes to the existing taxonomy are recommended, eg.
    - *Introduction of two concepts instead of one, where „nature and amount” is required*
    - *Changing element types from „string” to numeric format (monetary, percentage etc) in some cases*
  - Number of taxonomy extensions needs to be reduced by introduction of common practice

# IFRS taxonomy statistics, as on 20 Oct 2011

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Count of label					
Row Labels	common practice	disclosure example	no reference	Grand Total	
date		7	2		9
decimal		9	1		10
domain	38	195	97		330
monetary	269	978	195		1442
per share	3	11			14
percent		40	18		58
pure		2	3		5
shares	1	9			10
string		729	51	362	1142
text block	149	189	9		347
<b>Grand Total</b>	<b>460</b>	<b>2169</b>	<b>376</b>	<b>362</b>	<b>3367</b>

# Adoption of the IFRS taxonomy

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# Adoption of the IFRS taxonomy

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The adoption of the IFRS taxonomy includes (but is not limited to):

- Corporate/securities filing:
  - Accounting and Corporate Regulatory Authority of **Singapore** *ACRA Taxonomy*;
  - DCCA (Danish Chamber of Commerce Association), **Denmark**;
  - DART System of the Financial Supervisory Service, **Korea**;
  - Financial Services Agency of **Japan** *EDINET*;
  - **Israel** Securities Authority *MAGNA* platform;
  - Ministry of Finance, **PR of China** *Chinese Accounting Standards (CAS) Taxonomy*;
  - Standard Business Reporting Program in **Australia** and **The Netherlands**;
  - Superintendencia de Valores y Seguros información del Mercado de Valores of **Chile**;
  - Johannesburg Stock Exchange, **South Africa** *SA Taxonomy*;
  - CNMV (Comisión Nacional del Mercado de Valores) of **Spain**;
  - **UK HRMC** and **Companies House** *UK-IFRS Taxonomy*;
  - **Microfinance** Information eXchange *MIX Microfinance Taxonomy*
- Banking/Insurance regulation:
  - **EBA**(European Banking Authority) *FINREP (FINancial REPorting framework) Taxonomy*
  - **Bermuda Monetary Authority** *Solvency II XBRL Taxonomy and IFRS for Insurance XBRL Taxonomy*

*Most countries who have adopted IFRSs are also considering whether to adopt XBRL and the IFRS Taxonomy. These include Brazil, Canada, India, Indonesia, Italy, Korea, Luxembourg, Malaysia, Mexico, Poland, UAE and Switzerland.*

- Adoption in Europe
- Consistent implementation
  - Architecture
  - Content
- Our offer
  - Outreach activities (high-level interaction, webinars, conferences...)
  - Guidance, supporting materials (ITG, ITI, snapshots...)
  - Taxonomy test

# IFRS XBRL formula linkbase

Olivier Servais & Haiko Philipp

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- Existing Calculation check (linkbase) can not express complex relations between concepts
- Therefore the new Formula specifications cover new areas critical for checking **correctness**, **consistency** and **integrity**:
  - Correctness (i.e. how the components of a piece relate to each other within that piece). This would include roll ups rolling up, roll forwards working, domain partition aggregations working
  - Consistency (i.e. authorized shares is greater than or equal to issued shares)
  - Integrity (i.e. how the pieces relate to one another; for example property, plant and equipment on the Statement of financial position is consistent with the details of the components of PPE communicated in the disclosures)
  - Financial integrity (i.e. the Statement of financial position balances, specific types of integrity which **MUST** exist in a financial report)

New formula specifications cover six areas split into three categories:

- Correctness
  - Cross context validations
  - Axis aggregation validations
- Consistency
  - Earnings per share validations
  - Positive / negative fact validations
  - Percentage warnings
- Integrity: Facts equivalence validations

- The IFRS taxonomy is released every year and is consistent with the IFRSs disclosure requirements (part A of the Bound Volume), guidance and example (part B) and with common practices
- Plus-minus calculations check data quality are already present in appropriate parts of the IFRS taxonomy
- The IFRS Foundation is now providing formula linkbase as another optional support material to improve data quality

- The IFRS Foundation has developed formula linkbase as a **prototype** to receive feedback on business and technical aspects from public and to estimate market demand
- The Formula prototype is based on the final IFRS taxonomy 2011 and on the XBRL International Formula specifications 1.0 (\*)
- Interim releases published after the final IFRS taxonomy 2011 are not covered within this formula prototype

(\*) 2009-06-22 including errata corrections as of 2011-03-10

# The reception by investors and analysts

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# General considerations

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- The investment community is generally supportive to XBRL but ...
- ... some resistance has been observed and explained by i.e.
  - Absence/Reliability of data in XBRL
  - Absence of tools
  - Relatively low importance of Financial Statements in a company analysis
  - Resistance to change
  - Reluctance to share with competitors
- However,
  - Adoption varies by region and countries and will grow with available data
  - XBRL is perceived as a non-issue, just as one of many sources



## Unlocking the Investor Benefits of XBRL

Glenn Doggett, CFA

Several years ago, when then-Chairman of the U.S. Securities and Exchange Commission Christopher Cox advocated for the required tagging of financial disclosures by U.S. companies, both large and small investors were perceived as the main beneficiaries. That's because the envisioned interactive data format would allow investors easier access to the data traditionally locked in paper filings. Since that time, unfortunately, most of the software development efforts have focused on the creation of tagged reports to meet various regulatory requirements.

A [contest introduced by XBRL US](#) is expected to change that. The competition, dubbed the [XBRL Challenge](#), looks to increase the pace of developing new XBRL applications that benefit investors and others looking to access the information within tagged reports.

The XBRL Challenge allows individuals or firms to submit an "open source" analytical product for review by a team of judges for a top prize of \$20,000. The requirement of an open source format — or one that is readily available to the public — should serve as the foundation for the continued development of usage-based XBRL products. The XBRL US site provides links to some existing XBRL consumption products as a reference to guide participants in expanding the capabilities currently available.

For its part, CFA Institute continues to support the advancement of XBRL reporting. While the benefits and challenges presented in our [2009 guide for investors](#) remain applicable today, the number of companies around the world delivering tagged reports to their regulators continues to increase. The potential for new applications to tap into these resources represents the next horizon for the growth and acceptance of this reporting standard. "We want to foster the development of a wide variety of innovative applications that will show the power of XBRL tags to deliver insights that are currently locked away in financial filings in basic text or PDF format," states John Rogers, CFA, president and CEO of CFA Institute, one of the contest sponsors.

The goal of XBRL US, through the XBRL Challenge, is to provide opportunities for investors to discuss their product expectations with those developing applications. If the data released by companies serves as the foundation of your analytical processes, this is your opportunity to have an impact — including on the amount of time you spend manually re-keying that information. In other words: Invest some time today to save some time tomorrow.

# Update on US SEC adoption of the IFRS taxonomy

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# The SEC rule 33-9002: phase-in schedule

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<i>Who?</i>	<i>What?</i>	“Face financial statements” & “Block tagged” footnotes / schedules:	“Detail tagged” footnotes / schedules:
<b>Filer group</b>		Starting from quarters ending 15 June or later	
<b>Domestic / foreign large &amp; accelerated filers using US GAAP:</b>			
• Public float > \$5 billion		2009	2010
• All other large / accelerated filers		2010	2011
<b>All other filers using US GAAP (inc. smaller reporting companies)</b>		2011	2012
<b>All issuers using IFRS</b>		2011	2012

**30 day grace period from the filing date of the related report, for the initial submission of interactive data (ie XBRL) exhibit**



# The SEC rule 33-9002: IFRS

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- Rule 33-9002 “Interactive Data to Improve Financial Reporting” enforces the use of Interactive Data (ie XBRL) for:
  - public companies and foreign private issuers (FPIs) that prepare their financial statements in accordance with US GAAP; and
  - **foreign private issuers** that prepare their financial statements using **International Financial Reporting Standards (IFRS) as issued by the IASB**.
- FPIs "using IFRS as issued by the IASB will be required to tag their financial information using the **most recent list of tags for international financial reporting, as released by the IFRS Foundation** and specified in the EDGAR Filer Manual’
- The IFRS Foundation has developed the **list of IFRS tags**. To create interactive data filings using these IFRS tags, an issuer generally will **need to follow the same mapping, extension and tagging process** than a company that uses the list of tags for US financial statement reporting.



March 29, 2011

**EXECUTIVE DIRECTOR**

Cynthia M. Forness

**GOVERNING BOARD**

Chairman  
James S. Turley, Chairman and CEO

James L. Kroeker  
Chief Accountant, Office of the Chief Accountant  
U.S. Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-1090

We acknowledge the IFRS Foundation's efforts to further develop that have been made to date; however, it is our understanding that need to create numerous extensions for their interactive data to users of financial statements 2011 does not yet fully address common requirements include standard definitions. In addition, at disclosures, the need to create a significant period, when detailed tagging is required. I we believe the benefits achieved by requiring Taxonomy 2011 may not outweigh the cost further develop the IFRS taxonomy.

John B. Vothreyer, U.S. Chairman and CEO  
KPMG LLP  
Jack Washburn, CEO  
BDO USA, LLP

The CAQ continues to support the objectives of increasing the usability and efficiency in use of financial data. CAQ has a concern related to the phase-in reporting requirements and Exchange Commission's (SEC) Release No. 33-9002 *Improve Financial Reporting* (the Release) for certain foreign private issuers (FPIs). Item 601(b)(10) of Regulation S-K (§229.601(b) the Instructions as to Exhibits of Form 20-F (§249.220f) requires that the financial statements in accordance with International Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), be subject to the interactive data reporting periods ending on or after June 15, 2011.

601 13<sup>th</sup> Street NW, Suite 800N, Washington, DC 20005, (202) 609-8120

Affiliated with the American Institute of CPAs

April 8, 2011

**Response of the Division of Corporation Finance**

**Response of the Office of the Chief Accountant**

RE: The Center for Audit Quality  
Incoming Letter Dated March 29, 2011

You have requested our views regarding the requirements for foreign private issuers that prepare their financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) to

Accordingly, we are of the view that foreign private issuers that prepare their financial statements in accordance with IFRS as issued by the IASB are not required to submit to the Commission and post on their corporate websites, if any, Interactive Data Files until the Commission specifies on its website a taxonomy for use by such foreign private issuers in preparing their Interactive Data Files.

statements in accordance with IFRS as issued by the IASB are not required to submit to the Commission and post on their corporate websites, if any, Interactive Data Files until the Commission specifies on its website a taxonomy for use by such foreign private issuers in preparing their Interactive Data Files.

This position is based on the facts presented in your letter. Any different facts might require a different conclusion.

Sincerely,

Meredith B. Cross  
Director  
Division of Corporation Finance

James L. Kroeker  
Chief Accountant  
Office of the Chief Accountant

# And now?

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- In a recent statement, senior US SEC representative said:
  - We are committed to let all filers, including FPIs, file with interactive data
  - Our team is working closely with the IFRS Foundation team on the taxonomy
  - I am optimistic that we could make a recommendation to the Commission to approve the IFRS taxonomy during the first half of 2012
  - We will provide hamper time to be prepared
- It is understood that no decision on the usability of the IFRS taxonomy will be made before the decision on IFRS in the United States.
- While the IFRS taxonomy was a matter of concern in the roadmap released on 14 November 2008, staff does not believe that XBRL will be a determining factor in any SEC decision on IFRS.

# Questions or comments?

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Expressions of individual views by members of the IASB and its staff are encouraged.

The views expressed in this presentation are those of the presenter. Official positions of the IASB on accounting matters are determined only after extensive due process and deliberation.

