



23rd XBRL International Conference

“XBRL: Enhancing Business Performance”

25-27 October 2011

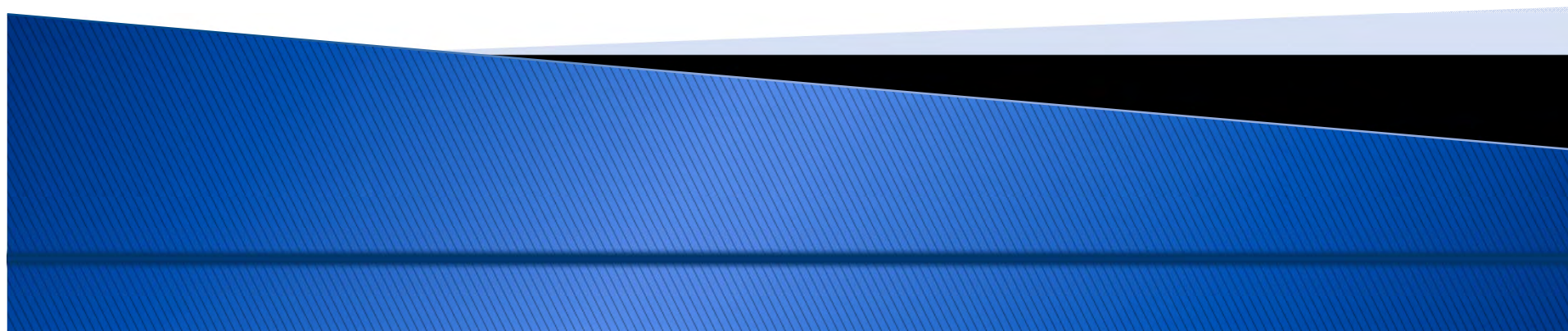
Montreal, Quebec, Canada

Streamlining IFRS Reporting with XBRL

Experiences in Tagging IFRS Financial Statements

Lou Rohman

26 October 2011



IFRS Taxonomy overview

The IFRS Taxonomy:

- Is the XBRL representation of IFRSs
- Contains tags for all IFRS disclosures
 - Based on disclosure requirements in the IFRS Bound Volume










IFRS Taxonomy – Ordered by financial statements and notes by topic

Example of notes by topic:

- Notes – Leases
- Notes – Business combinations
- Notes – Events after reporting period
- Notes – Interests in joint ventures
- Notes – Investments in associates
- Notes – Hyperinflationary reporting
- Notes – Inventories

Reference to accounting literature

All reportable items in IFRS Taxonomy have a reference link

Part	Value
  Disclosure Reference	
 Name	IFRS
 Number	7
 IssueDate	2011-01-01
 Paragraph	27B
 Subparagraph	a
 URI	http://eifrs.ifrs.org/eifrs/
 URIDate	2011-03-25

Elements in IFRS Taxonomy

Element names and standard labels are descriptive

Disclosure of detailed information about financial instruments [line items]

- ☐ Description of methods and assumptions to determine fair value
- ☐ Description of change in valuation technique and reasons for change
- ☐ Financial instruments measured in Level 1 of fair value hierarchy
- ☐ Financial instruments measured in Level 2 of fair value hierarchy
- ☐ Financial instruments measured in Level 3 of fair value hierarchy

Definitions of elements

- Tags do not utilize documentation labels to provide definitions
 - For extensions, FPIs may provide definitions
- Tags are defined by accounting literature references
- To assist in mapping, certain tags could be better clarified by inclusion of a definition
- Assumption is that definitions make tag selection easier, but they can make it more difficult
 - If definition too specific and/or gives specific examples
 - If definition inconsistent with accounting literature reference or element standard label

Extensions and the IFRS Taxonomy

Frequency of extensions

- Extensions may occur for certain disclosures that are industry specific, or for local/regulatory requirements
- SEC's Level 3 tagging requirement - text block tagging the visual tables – has higher than normal extension rate
- Extensions may occur when disclosing information not required under IFRS
- Extensions may occur for items that are commonly disclosed, but aren't specifically in the bound volume, such as aggregation points or more detailed information
 - Common practice elements will be added to the taxonomy

Common practice elements

- Common practice tags are supplementary tags that bridge gap between specific Bound Volume disclosure requirements and items commonly reported by entities in their IFRS financial statements
- Two sets of common practice tags will be added to the IFRS taxonomy
 - Tags for basic financial statements tags – CP1
 - Tags for notes to financial statements – CP2
- Common practice tags for detailed footnote tagging will be critical to reduce number of extensions

Common practice elements added – Example on statement of cash flows

- Elements available before adding common practice tags:
 1. Proceeds from borrowings
 2. Repayments of borrowings
- Common practice tags added:
 1. Proceeds from current borrowings
 2. Proceeds from non-current borrowings
 3. Repayments of current borrowings
 4. Repayments of non-current borrowings

Comparison to US GAAP Taxonomy – Definition in US GAAP Taxonomy

Labels		
Type	Lang Label	
Standard Label	en-US	Debt Instrument, Face Amount
Documentation	en-US	The stated principal amount of the debt instrument at time of issuance, which may vary from the carrying amount because of unamortized premium or discount.

Comparison to US GAAP Taxonomy – Definition in US GAAP Taxonomy

Labels		
Type	Lang	Label
Standard Label	en-US	Long-term Debt, Gross
Documentation	en-US	Including current and noncurrent portions, aggregate carrying amount of long-term borrowings as of the balance sheet date before deducting unamortized discount or premiums (if any). May include notes payable, bonds payable, commercial loans, mortgage loans, convertible debt, subordinated debt and other types of debt, which had initial maturities beyond one year or beyond the normal operating cycle, if longer.

Comparison to US GAAP Taxonomy – Definition in US GAAP Taxonomy

Labels		
Type	Lang Label	
Standard Label	en-US	Long-term Debt
Documentation	en-US	Including current and noncurrent portions, aggregate carrying amount of long-term borrowings as of the balance sheet date. May include notes payable, bonds payable, commercial loans, mortgage loans, convertible debt, subordinated debt and other types of debt, which had initial maturities beyond one year or beyond the normal operating cycle, if longer, and after deducting unamortized discount or premiums, if any.
Total Label	en-US	Long-term Debt, Total

Comparison to US GAAP Taxonomy – Item type different for same disclosure

[-] Schema	
name	DescriptionOfExpectedVolatilityShareOptionsGranted
namespace	http://xbrl.ifrs.org/taxonomy/2011-03-25/ifrs
prefix	ifrs
abstract	false
id	ifrs_DescriptionOfExpectedVolatilityShareOptionsGranted
nillable	true
substitution group	xbrli:item
type	stringItemType
[-] XBRL	
base item type	stringItemType
period type	duration

Comparison to US GAAP Taxonomy – Structure of members versus line items

Reporting requirement is similar but taxonomy is different

Disclosure of number and weighted average exercise prices of share options [table]



Groups of share options [axis]



Share options [member]



Share options outstanding [member]



Share options granted [member]



Share options forfeited [member]



Share options exercised [member]



Share options expired [member]



Share options exercisable [member]

Disclosure of number and weighted average exercise prices of share options [line items]



Number of share options in share-based payment arrangement

Timing of using the IFRS Taxonomy – When should a company start XBRL

IFRS companies not filing with SEC:

- Stay knowledgeable about timing of XBRL requirement for your jurisdiction
- Consider voluntary submission, if possible
- Start mapping basic financial statements to gain XBRL knowledge and determine ease or pain involved

Timing of using the IFRS Taxonomy – SEC Foreign Private Issuers

- SEC has not specified a timeline for mandated submission of XBRL for foreign private issuers that use IFRS
 - SEC issued no-action letter on 8 April 2011 saying not yet required to submit IFRS XBRL
 - SEC must first “specify” or “accept” a taxonomy for IFRS XBRL
 - Currently there is no authorized taxonomy to use for filing IFRS XBRL exhibits with the SEC

Timing of using the IFRS Taxonomy – SEC Foreign Private Issuers

If no timeline exists, what's a potential scenario for mandate

- Possible that SEC will review IFRS Taxonomy and accept in Spring 2012
- Possible that SEC will give sufficient time after acceptance for companies to absorb the taxonomy
 - For example, SEC may say... IFRS filers must submit XBRL with periodic reports for financial statements with a fiscal period ending on or after MMM 15, 2012
- Possible that first year will only require text block tagging of footnotes

Timing of using the IFRS Taxonomy – SEC Foreign Private Issuers

- Mapping of basic financial statements – Some companies are complete, some in-process, a majority haven't started
- Start mapping soon using financial statements from a prior filing or a draft of upcoming filing. Determine timelines now.
- Benefits of starting early
 - Prepared prior to mandate
 - Heavy lifting is out of the way
 - Gain knowledge and comfort about XBRL

The IFRS Taxonomy is available and useable.

QUESTIONS