

# Strategic Planning for XBRL Implementation in Iran Capital Market



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# Iran Capital Market

- 500 Listed Companies
- 25 Sectors
- 110 Auditors approved by SEO
- 90 Brokerage Companies
- 60 Mutual Funds
- IT Based Infrastructure for filling Financial Reports of Listed companies: Codal

# CODAL

- Comprehensive Database of All Listed companies
- Web Based Infrastructure that performs data gathering, validation, acceptance and disclosure operations.
- About 1000 members
- 27000 Registered files

# Main Functions of CODAL

- Submitting of prepared reports by listed companies (<https://Filers.codal.ir>)
- Report validation (Systematically by Codal)
- Auditing by trusted auditors
- Supervision on fillings (by SEO )
- Disclosing to public (Excel, Pdf, Doc,XML) via [www.codal.ir](http://www.codal.ir)

# Background of XBRL in Iran

2008–  
2009

- Awareness
- Motivating stakeholders to participate

2009–  
2010

- Define a project to find out KSF of XBRL implementation process

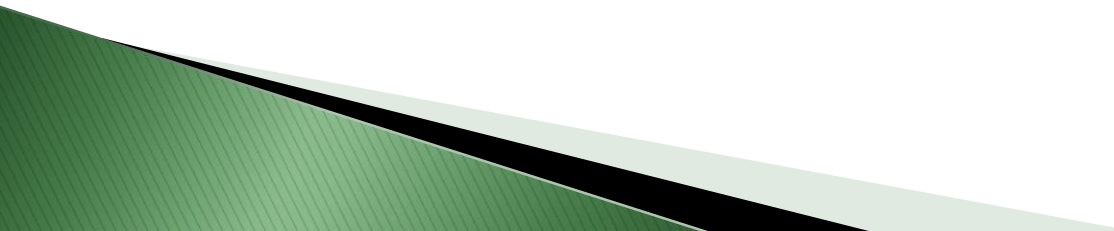
2010–  
2011

- Starting the taxonomy development
- Enhancing electronic infrastructure for gathering listed companies data /Add auditors

2011–  
2012

- *Developing strategies for XBRL implementation in Iran capital market*

# Why Strategic Planning for XBRL Implementation?

- ▶ Success is not a chance but it is a choice
  - ▶ XBRL is a multidisciplinary area
  - ▶ Interrelationship between different stakeholders in the financial information supply chain
  - ▶ Variety of softwares and solutions
  - ▶ Necessity of selecting suitable frameworks as a foundation for taxonomy development
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# Strategic Planning for XBRL Implementation

- ❑ Vision Statement

- ❑ Goals

- ❑ Strategies

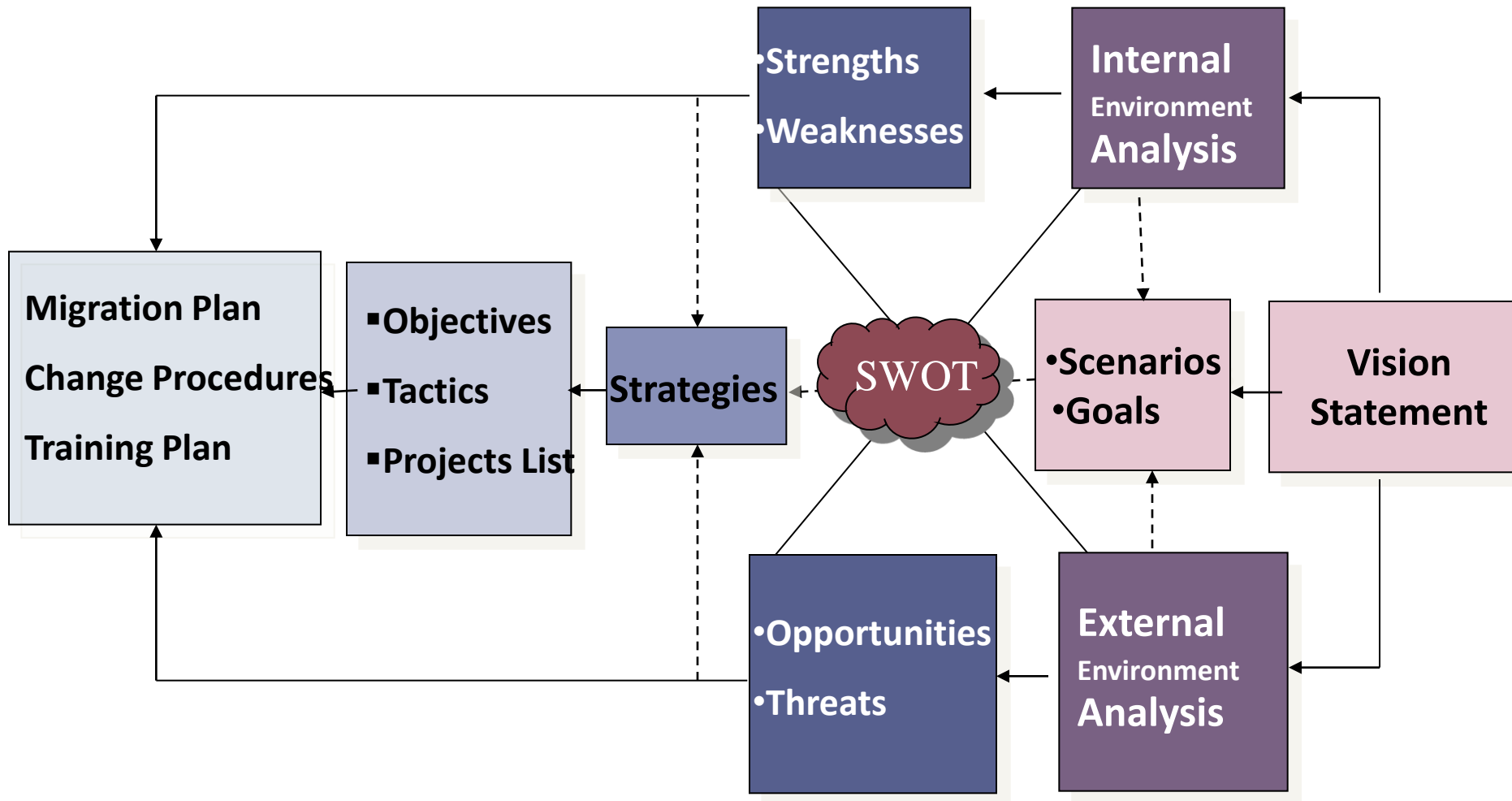
- ❑ Objectives

- ❑ Tactics

- ❑ List of Projects



# Strategic Planning Methodology & Processes





# Steps of Strategic Planning for XBRL implementation in Iran capital market

**Step 1**

- **Development of Vision Statement and Goals**

**Step 2**

- **Current Situation Analysis**

**Step 3**

- **Environmental Scanning**

**Step 4**

- **Strategy Formulation**

**Step 5**

- **Action Plans**

# Vision Statement

*The mission of SEO is:*

"to protect investors' rights; maintain and develop a transparent, fair and efficient market and supervise the execution of the Securities Market Law."

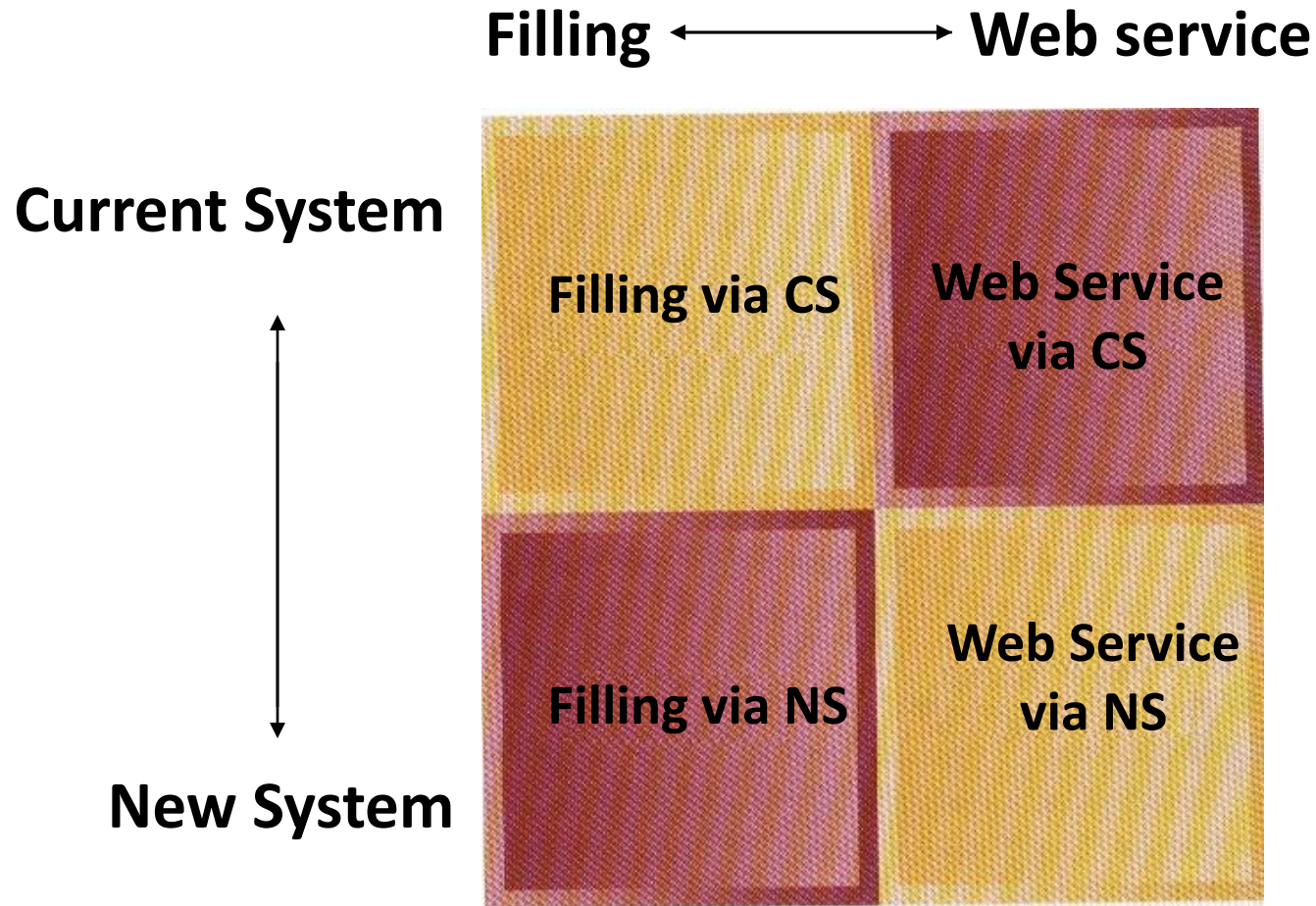
*XBRL vision statement was defined as:*

"Iran Capital Market is a Market with Available, Accessible, Analyzable & Accurate Data "

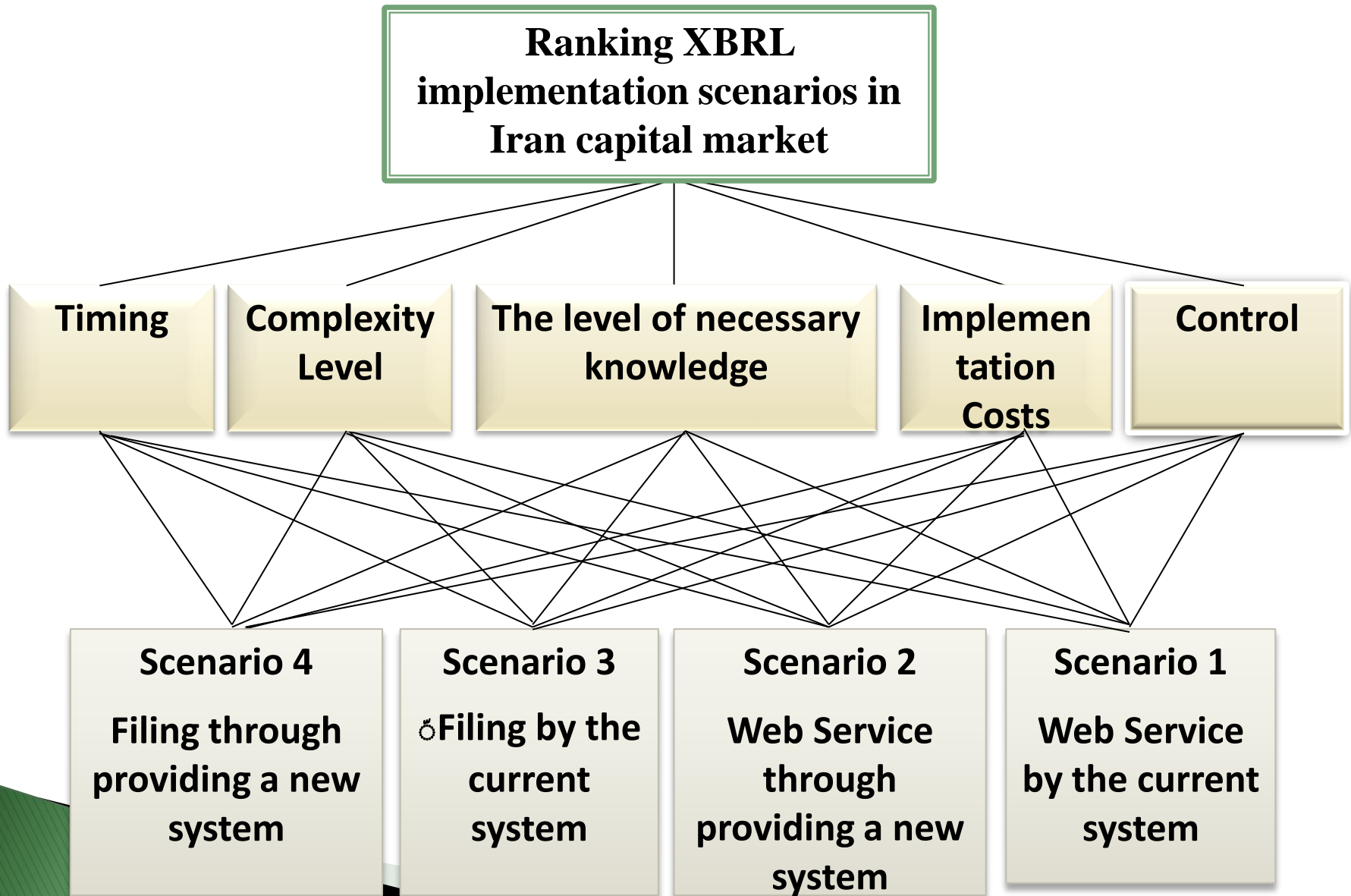
# Vision Statement

***"Iran Capital Market is a Market with 4A Data"***

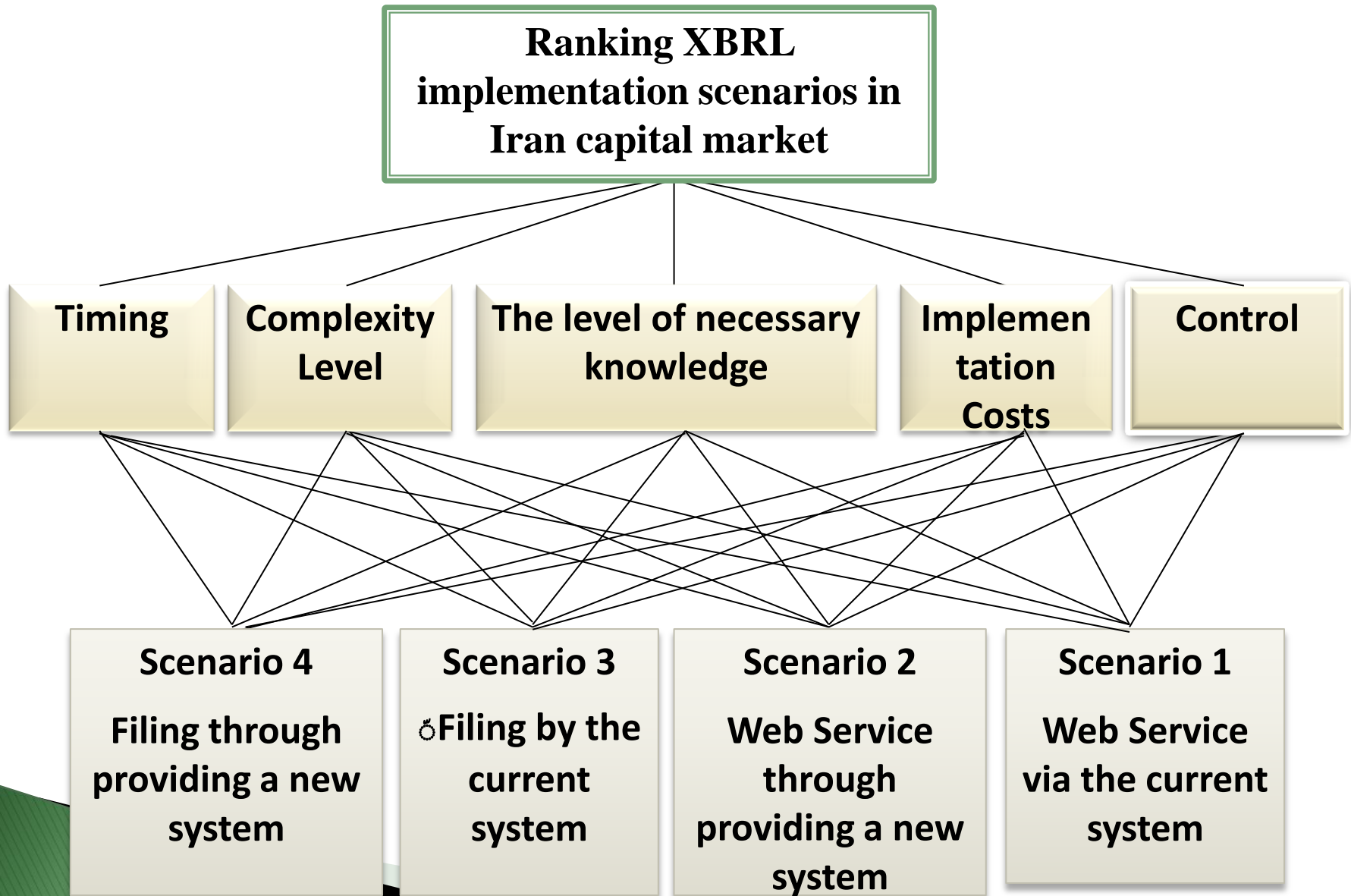
# Scenario Building



# Ranking Scenarios



# Ranking Scenarios



# Goals

- G1:** To streamline collection of financial information from the listed companies via CS.
- G2:** Distribution of this information among the investors and analysts by using a uniform format
- G3:** Supporting the creation of XBRL jurisdiction in Iran



# Internal Environment Analysis

Strengths	Weaknesses
<ul style="list-style-type: none"><li>• Current electronic system for disclosing of listed companies financial information</li></ul>	<ul style="list-style-type: none"><li>• Lack of a dedicated group for coordinating and tracking XBRL development activities</li></ul>
<ul style="list-style-type: none"><li>• Fairly good awareness of XBRL among participants</li></ul>	<ul style="list-style-type: none"><li>• Some technical problems in the process of submitting reports through the current electronic system</li></ul>
<ul style="list-style-type: none"><li>• Strong commitment of top managers</li></ul>	<ul style="list-style-type: none"><li>• Lack of enough training related to XBRL</li></ul>



# External Environment Scanning

Opportunities		Threats	
National	International	National	International
<ul style="list-style-type: none"> <li>•Existing many similarities between I.R. GAAP and IFRS</li> <li>•Interested stakeholders to participation</li> </ul>	<ul style="list-style-type: none"> <li>•Support of XBRL International to XBRL adoption</li> <li>•Increasing acceptance of IFRS around the world</li> <li>•Availability of different types of XBRL sources and benefit from deep knowledge in XBRL community</li> </ul>	<ul style="list-style-type: none"> <li>•Lack of powerful IT companies for providing XBRL solutions</li> <li>•Low e-readiness ranking in Iran</li> <li>•Not so strong collaboration among SEO and the other Iranian regulators and authorities in XBRL development</li> </ul>	<ul style="list-style-type: none"> <li>•World financial crisis</li> <li>•International limitation in providing software tools</li> </ul>

# Strategies & Tactics

- **S1:** Raising XBRL awareness & knowledge among the participants who don't have enough information about the XBRL structure and benefits.
- **S2:** Raising demand of XBRL among the key stakeholders of the financial reporting supply chain to enhance their participation
- **S3:** Enabling internal processes and systems to support XBRL capabilities

# Strategies & Tactics

- **S4:** Supporting internal IT companies to provide XBRL enabled software solutions
- **S5:** Creating legal platform to form local Jurisdiction
- **S6:** Establishing a distinct unit or work group responsible for XBRL adoption in Iran capital market level
- **S7:** Enhancing relationship among SEO and the other Iranian regulators and authorities related to XBRL development

# Lessons Learned

- ▶ The planning model
- ▶ Focus on FOSS
- ▶ Try to developing some tools in house
- ▶ Accelerate jurisdiction establishment
- ▶ Finalizing taxonomy generation
- ▶ More training programs for main stakeholders

# Thank You