

Proposing a Roadmap for Implementing XBRL in Mutual Funds (Case Study: Iran Capital Market)

Ali Abdollahi(a.abdollahi@seo.ir)

IT Manager, Securities & Exchange Organization of Iran

Saber Faramarzi(s.faramazi@seo.ir)

Securities & Exchange Organization of Iran

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Iran Capital Market

- 500 Listed Companies/25 Sectors
- 110 Auditors approved by SEO
- 90 Brokerage Companies
- 87 Mutual Funds
- IT Based Infrastructures for filling Financial Reports: Listed companies ,Financial Institutions(Mutual Funds & Brokers,...)

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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, Accurate & Analyzable Data "*

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Vision Statement

Available,
Accessible,
Analyzable &
Accurate



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

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Plans

“Iran Capital Market is a Market with 4A Data”



***Listed
Companies***



***Financial
Institutions***



***Plan2: XBRL based Disclosure System for
Mutual Funds***

Mutual Funds in IRAN

- Law for “Development of New Financial Instruments and Institutions“(2009)

Securities Mutual Funds

Construction Funds

Charity Funds

Currency Funds

***Types of
Mutual Funds
In Iran***

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Mutual Funds In Action

(up to the Oct 21,2012)

	Description	Quantity	Last year Return (Average)	Individual Investors	Entity Investors
1	Stock Mutual Funds	59	16.6%	28532	253
2	Fixed Income Mutual Funds	23	19.5%	39527	430
3	Mixed Mutual Funds	4	23.9%	1156	79
4	Index Fund	1	5.8%	42	5
Total		87	—	69257	767

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Current Situation(Data Flow)

Mutual funds

SEO

Software vendor1 60%

Enter & Submit Data
(Web base Solution)



XML parser



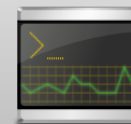
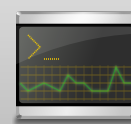
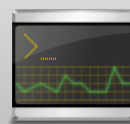
Enter & Submit Data
(Web base Solution)



Software Vendor2 40%

SEO

Mutual Funds Monitoring system



SEO regulators

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Project 1: Taxonomy Creation for Mutual Funds

- Identify the scope of requirements
- Review all the reference material (Local Standards and Acts)
- Analyzing mutual funds reports and financial statements
- Conceptual design & data modeling
- Taxonomy Creation, Test & Review
 - Defining the XBRL properties of the elements finalized
 - Build Taxonomy
 - Validate XBRL correctness using taxonomy validators

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XBRL Implementation Approaches

- Deeply embedded approach
- Bolt-on XBRL software package
 - Implementation Time
 - Control
 - Cost
 - Complexity Level
 - The level of necessary knowledge

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XBRL Implementation Approaches

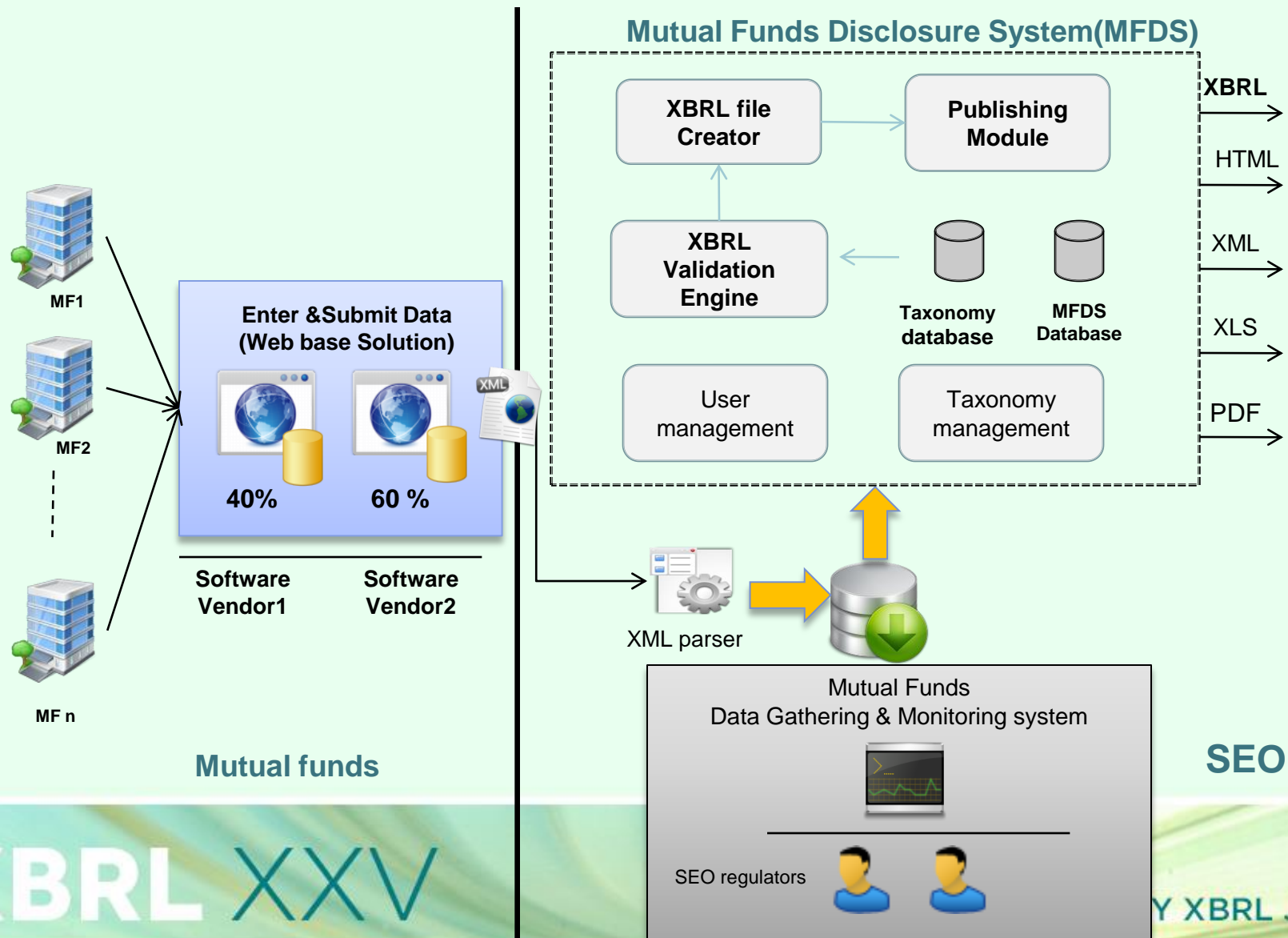
- Deeply embedded approach
 - Change current process
 - Difficult to Estimate Cost
 - Implementation Time
- Bolt-on XBRL software package
 - Facilitates mapping of mutual funds data with the taxonomy
 - No need to change current process
 - Fastest And low cost solution

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XBRL based Disclosure System for Mutual Funds



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Projects2:Design & Develop XBRL based Disclosure Software Platform for Mutual Funds

- The platform to enable SEO to publish all mutual funds reports in a single window
- Data reported by mutual funds will be validated against the XBRL Taxonomy and business rules
- Users will be able to view and download mutual funds financial data & reports in XBRL format for analysis

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Conclusions

- XBRL visionary statement
- Necessity of choosing right approach for implementing XBRL
- Next Steps
 - Finalizing Plan1 (listed companies)
 - Local Jurisdiction
 - Raising XBRL awareness
 - Collaboration among SEO and the other Iranian regulators and authorities in XBRL development
 - More training programs for main stakeholders

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Thank You

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