



Gaining from data standards

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XBRL Business case is positive for senders and receivers

Sender

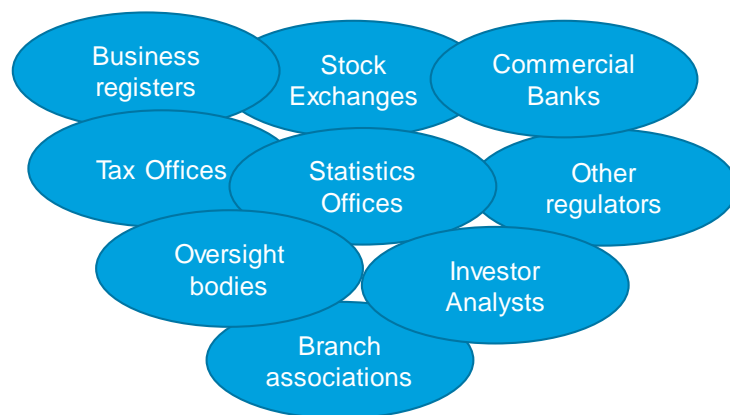
- Business case becomes attractive when the focus moves to system-to-system reporting
- For large organisations, the business case is very interesting when focus also moves to internal reporting (XBRL inside)
- To enable system to system reporting requires alignment of external reporting taxonomies with internal data structures
- But...focus on the last mile results in increased costs

Receiver

- Introduction of a taxonomy and XBRL standard allows for:
 - elimination of manual processes
 - better insight into definitions of the data reported
 - increase in quality and comparability of the information
- Explains why receivers of information are the first movers in the XBRL world

Companies are faced with many challenges

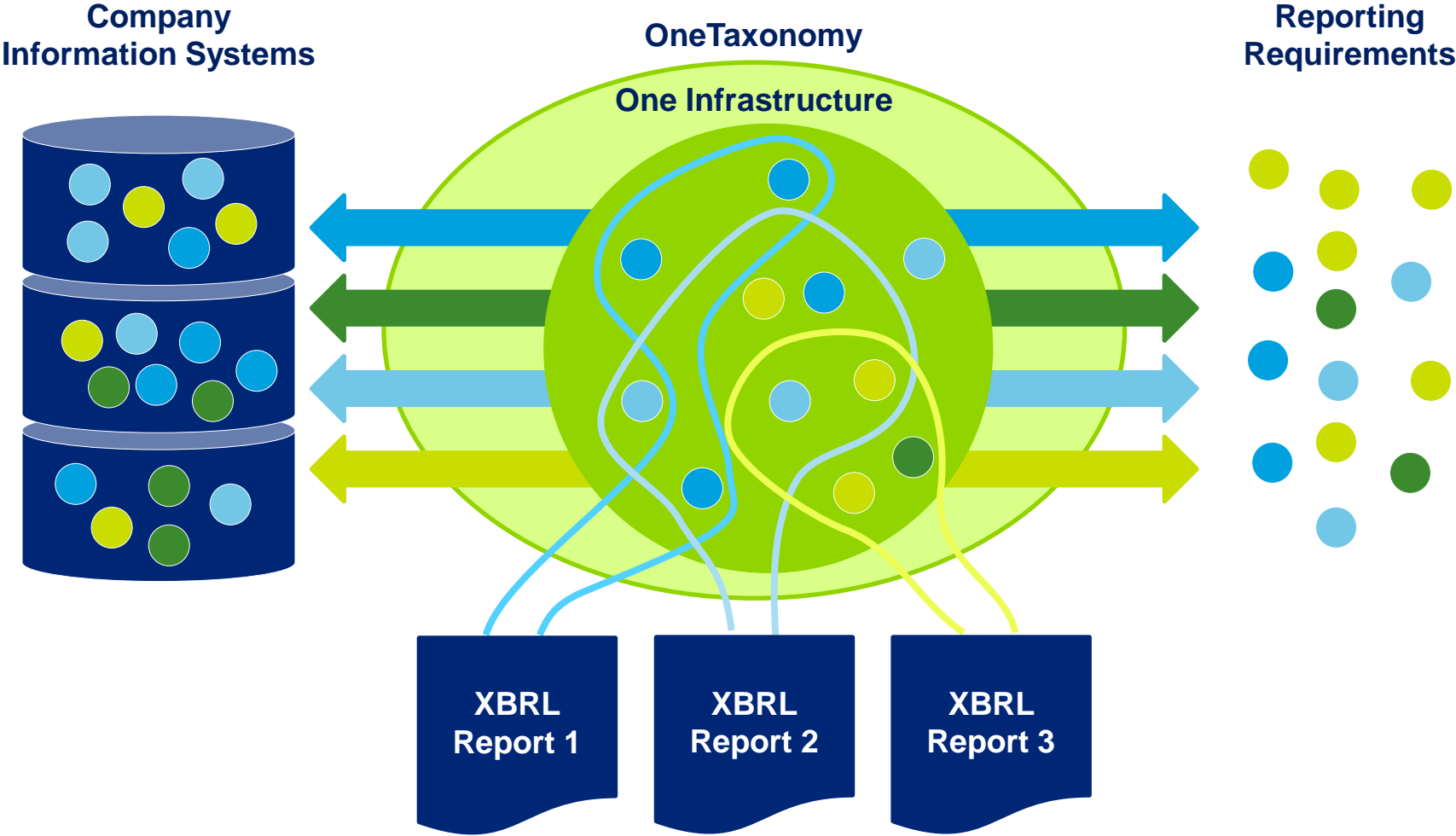
- Companies need to comply with mandates in many different European countries
- Receivers of information develop taxonomies driven by their own information needs
- Taxonomies include information that cannot easily be extracted from transaction and reporting systems
- Lack of taxonomy standardisation leads to high administrative burden for companies
- Is a threat to successful use of XBRL



Promising initiatives are underway

- EBA and EIOPA align approaches to taxonomy development for Basel and Solvency reporting and work on CEN standard for financial supervisory reporting
- Standard setters in non-financial reporting domain (GRI, CDP) align taxonomy architectures with standard setters in financial reporting domain (IASB, FASB)
- Public/Private collaborations are emerging to reuse reporting definitions in different domains (e.g. banking taxonomy reusing reporting elements from Dutch taxonomy)
- European Business Registers pilot core reference taxonomy that matches local tags for cross country analyses.
- Company data of over 70,000 SEC filings drive the development of innovative applications to analyze this information.

Data standardisation lowers reporting burden for companies



On a country level regulators and companies can start today

Sender

1. Ask your regulators to adopt data standards that enable system-to-system digital reporting
2. Ask your vendors for XBRL-enabled reporting solutions
3. Define a strategy to prepare for mandates across Europe
4. Assess the impact on internal data structures and processing

Receiver

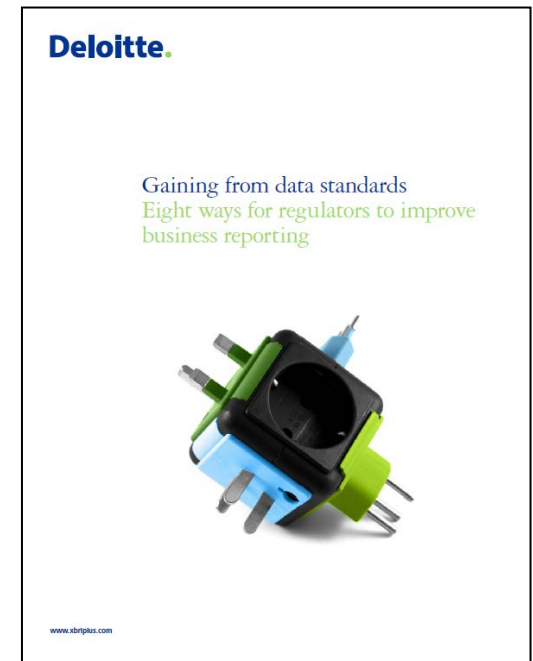
1. Put XBRL on the political agenda
2. Design an effective program
3. Create a well-designed XBRL taxonomy
4. Build an integrated reporting infrastructure
5. Improve the value of reporting
6. Lower the reporting burden for businesses
7. Lower data processing cost in government
8. Envision a new paradigm in policy making and execution

Key questions to address on the European level

- What is EU expecting from member states - given the time line and adoption rate?
- What can companies expect?
- How are companies going to benefit?
- How are XBRL-efforts coordinated across Europe to ensure interoperability and learning?
- How will the readiness of member states (infrastructure + taxonomy) be monitored?
- Would mandating the use of XBRL enable fast adoption and reduce the implementation burden?

Summary

- Cross border, cross domain governance of taxonomies is key to ensure a win-win situation for receivers and senders
- Unlock the value of XBRL:
 - Drive standardisation of reporting definitions
 - Drives comparability of company data
 - Increases the quality of the data
 - Drives efficiencies through S2S reporting



Deloitte. @ Dublin conference

We invite you to our booth in the exhibition hall.

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