

MEDIA RELEASE

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SEC to make XBRL mandatory

Johannesburg, Friday, 9th January 2009 - South Africa's financial sector was recently served with an early warning call.

On December 17, 2008, the United States Securities and Exchange Commission (SEC) announced that it would require companies to provide financial statement information in an interactive data format that uses eXtensible Business Reporting Language (XBRL).

The new requirements are intended to make it easier and more efficient for investors and analysts to search and analyse financial data across multiple companies, reporting periods and industries.

They will be implemented in three phases over three years, with the first phase consisting of all large accelerated filers using US GAAP and having a public float of \$5 billion or greater.

The SEC announcement serves as warning to large South African corporations: prepare for XBRL now or be faced with a last-minute scramble to comply with the equivalent domestic requirement.

Graham Terry, Head: Office of the Executive President at the South African Institute of Chartered Accountants (SAICA) and Chairman of XBRL South Africa, insists that XBRL is the business technology of the future. He said, 'I hope corporations take note of the move and begin planning the use of the technology in due time so that they do not find themselves in a time crunch like many US companies.'

He says that the SEC has been actively encouraging US corporations to adopt XBRL for some time, because it reduces the time taken to produce corporate reports and enhances their usability and comparability. XBRL can significantly improve efficiencies both in the preparation and use of

information. Because XBRL is machine readable, information is only captured once therefore it also enhances the reliability of corporate information.

In 2007, the SEC placed \$54 million on the table, part of which was earmarked to change the SEC's internal systems to receive XBRL filings, and part of which has gone to XBRL US to develop the required taxonomy (tagged dictionary of financial line items).

Terry notes that a couple of years ago the SEC launched a voluntary XBRL filing programme. The initial response was slow with a few significant companies, like Microsoft and GE coming to the party. Each year more companies participate and currently nearly 100 entities are reporting in XBRL.

Terry says that XBRL's application is not confined to stock exchange-listed companies. "Since October 2005, the American banking regulator, which oversees 8 500 US banks, has not only been reporting via XBRL but has been encouraging the banks to embrace the standard."

Elsewhere:

- The Canadian stock exchange is in the process of writing its standards in XBRL.
- On August 30, 2007 the Australian government announced that AUD\$208 million will be spent over the next 3 years to implement Standard Business Reporting (SBR). The role of XBRL in this will be significant.
- The Netherlands and Spanish governments have stipulated that any organisation, be it Philips or the café around the corner, is obliged to use XBRL in their reporting.
- In the UK the Chancellor encourages all corporate tax filings to use the XBRL standard. From 2010 it will become mandatory to do so. New companies have to use the standard.
- Tokyo's stock exchange is in the process of adopting XBRL.
- Stock exchanges around the world have either mandated it or have concluded pilot projects.

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