Understanding the Role of XBRL in IFRS

Gavin Marais
Co-Chair – XBRL in Africa Jurisdiction Development
Director, XBRL South Africa (Association Incorporated under Section 21)
Director, eX-IT Software (Pty) Ltd

IFRS Summit 2007 – 15th May
Agenda

- Thank you
- What is XBRL?
- Benefits of XBRL
- XBRL and IFRS Working Together
- XBRL Adoption / Jurisdictions
- Electronic Business Reporting for the Future
So, What is XBRL?

- eXtensible Business Reporting Language ("XBRL") means two things
  - A technology standard that specifies rules for the definition and composition of XML documents containing business and financial information;
  - A not-for-profit consortium (XBRL International, Inc.) formed to promote the adoption of the standard;

- XBRL is NOT a new accounting / reporting standard, but enhances the reporting and usability of business and financial information.
XBRL International Consortium

- A worldwide consortium of participants in the business and financial information supply chain
- Oversees the creation, development, submission and maintenance of the XBRL specification and related taxonomies for business & financial reporting data
- Operates via Jurisdictions – XBRL South Africa is one of many
Overview of XBRL SA

- Name - Extensible Business Reporting Language South Africa
- Trading as - XBRL SA
- Entity Type - Section 21 Company
- Jurisdiction Established - 7 November 2005
- Managed by Steering Committee since 25 January 2005
- Independent facilitator - SAICA
- www.xbrl.org/za
Objectives of XBRL SA

- Promote XBRL
- Organise the creation of taxonomies
- Facilitate education and marketing
- Explain the benefits to government and private organisations
- Focus on progress of XBRL in the region
- Contribution to international development
XBRL SA Structure

Board of Directors

Steering Committee

Taxonomy Working Group

Marketing Working Group
Activities of XBRL SA

- Since January 2005 to Date
  - Membership - 4 interested parties, now 15 members
  - Taxonomy Working Group
    - Identified the different requirements for the XBRL IFRS GP Taxonomy to define the XBRL ZA Taxonomy
    - Published the specification for public comment
    - Issued RFT to build the taxonomies
    - SA taxonomies on website e.g. JSE Listings Requirements, Audit Report, Director Report, Company Secretary Statement, etc.
Activities of XBRL SA

- Since January 2005 to Date
  - Marketing and Communication
    - Marketing plans
    - Website
    - Creating awareness
      - Summit TV
      - Newspapers
      - Articles in focused publications
      - One-on-One
  - Member communication channel
  - Successful launch at the JSE (150 attendees)
Membership Types

- Consumer and Preparers (R20 000 per annum)
- Academic (Free - Universities and Business Schools)
- Includes membership of XBRL International consortium
Current Members
XBRL Technology Standard

- XBRL specification: defines XBRL dictionaries (taxonomies) and instances;
  - XBRL taxonomies: the descriptions that provide the “intelligence” about business and financial information;
    - E.g. IFRS-GP, Sustainability Reporting, US Gaap, UK Gaap, XBRL-GL, Chinese-Gaap, etc.
  - XBRL instances: the file containing business and financial information that you create and deliver to consumers
    - E.g. all listed entities in China, 8000 Banks in the US, etc.
Technology

**Business Reporting Supply Chain**

**Processes**
- XBRL GL
  - Journal Taxonomies
- XBRL
  - GAAP Taxonomies, IFRS-GP, US-GAAP, etc.
- External Financial Reporting
- Economic Policymaking
- Investment, Lending, Regulation

**Participants**
- Entities
  - (Public Companies, SMEs, Public Sector)
- Financial Publishers and Data Aggregators
- Investors
- Central Banks
- Trading Partners
- Management Accountants
- Auditors
- Regulators

Software Vendors

XBRL (eXtensible Business Reporting Language)
In a “Nutshell”

- XBRL is a barcode for business and financial facts;
- De facto electronic standard for preparation, exchange and consumption of business and financial information
Benefits of Standards / XBRL

- Produce information once, re-use many times
- Lower cost of producing, using information
- Accuracy, timeliness, and other efficiencies from “straight-through” processing
- Tell your own story (precise & clear)
- Completeness and timeliness of financial information leads to enhanced analytical capabilities
- Accelerated adoption of reporting model changes
- Environment conducive to harmonisation (FASB & IFRS)

- These benefits shared throughout the entire reporting supply chain
XBRL and IFRS Working Together

- The IASB is a Jurisdiction of XBRL International, Inc.
- The IASB has a dedicated team of XBRL and IFRS specialists interpreting the IFRS standards into an XBRL Dictionary
- 4 Dictionaries (Taxonomies) have been released and acknowledged by XBRL International and being used by various countries
- Latest dictionary - 4 500 financial reporting facts that could be reported according to the IFRS standards and translated into 6 languages
XBRL News

Summary of the week
7 July 2006
It has been two weeks since our last summary posting. The IASC Foundation XBRL Team focused on completion of its IFRS taxonomy and carrying out liaison activities with IFRS jurisdictions. The following provides a brief update. Activities included: ...

Read more >>

New Volunteer XBRL Team Member
29 June 2006
The IASC Foundation XBRL Team would like to welcome Piotr Stefañiak as its newest member. Piotr Stefañiak is a student at the Poznan University of Economics, Poland, with majors in Corporate Finance and Accountancy.

Read more >>

XBRL Convergence Project: First Phase Available Online
27 June 2006
The IASC Foundation XBRL Team is pleased to announce the online release of the first phase of its XBRL convergence work. This phase is intended to introduce the idea of taxonomy convergence in so far as it relates to XBRL taxonomies. A small fragment of the IFRS and US GAAP taxonomies convergence was chosen to illustrate the idea.
IFRS and XBRL – the World is getting smaller

Countries seeking convergence with the IASB on pursuing adoption of IFRSs

Countries that require or permit IFRSs

Established Jurisdictions
Provisional Jurisdictions
in Construction & in Project

Countries seeking convergence with the IASB on pursuing adoption of IFRSs
Financial Reporting & Digital Reporting Standard Setting
<CurrentAssets contextRef="End_2004" unitRef="EUR">
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XBRL Adoption

- Significant adoption of the XBRL Standard in the last two years
  - Regulators, and
  - Preparers

- International Adoption
- South African Adoption
XBRL United States

- XBRL usage - U.S. Federal Government Agencies
- Federal Deposit Insurance Corporation (FDIC) – mandatory Call Report Filings of 8,000 Banks every Quarter
- US Internal Revenue Service
- SEC – started with voluntary filing program, $54m upgrade to Edgar filings completed, regulations are being changed to make filings mandatory using the XBRL standard
XBRL Australia

- Australian Prudential Regulatory Agency (APRA) – 11000 super funds, insurers and banks required to report using XBRL
- APRA reports to Australian Bureau of Statistics and Reserve Bank using XBRL
- Australian Tax Office – September 2003 – incorporated XBRL into their electronic Activity Statements
XBRL Canada

- Statistics Canada – Companies uses XBRL forms to submit information with fewer errors
- TSX publishes own financial statements in XBRL 2004
- Canadian Securities Administrators (CSA) have launched an XBRL voluntary filing program
XBRL New Zealand

- XBRL included in the Government's e-gif platform
- New Zealand Stock Exchange
- New Zealand Statistics Bureau
- New Zealand Companies Office
- Inland Revenue Department
XBRL Japan

- National Tax Agency accepting XBRL tax filings since 2004
- The Tokyo Stock Exchange - full XBRL reporting by all companies in 2008
- Financial services entities - reporting monthly data in XBRL to the Bank of Japan (BoJ) since February 2006.
- Financial Services Agency – adopts XBRL for financial disclosure
XBRL South Korea

- Korea Stock Exchange and KOSDAQ modified their disclosure information systems to receive XBRL formatted financial information from listed companies.
XBRL in Europe

- European Commission grants 1 Million Euros to XBRL in Europe to develop and adopt XBRL throughout the European community
- Committee of European Banking Supervisors (CEBS) – adopts XBRL for EU regulatory reporting of central and commercial banks (Basel II)
- The following members states are preparing to join:

<table>
<thead>
<tr>
<th>Italy</th>
<th>Poland</th>
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<tbody>
<tr>
<td>Austria</td>
<td>Slovenia</td>
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<td>Finland</td>
<td>Switzerland</td>
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<tr>
<td>Hungary</td>
<td>Portugal</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>Greece</td>
</tr>
</tbody>
</table>
XBRL Spain

- Spanish Stock Exchange – receiving and analysing 3000 listed companies periodic information
- More than 400 banks are filing monthly financial statements in XBRL to the Bank of Spain. The introduction of XBRL for this reporting has enabled automatic data validation, achieved better quality of data and reducing manual effort. The Bank of Spain is now pushing ahead plans for expanded use of XBRL
- Spanish Senate – process of legislating XBRL as mandatory use throughout the reporting supply chain
Office of the e-Envoy recommends XBRL as a standard for Government Interoperability Framework

Inland Revenue – collect all UK Corporation Tax Returns (direct and indirect)

Companies House – collects financial information
  - April 2006 – 10 000,
  - End 2006 – 50 000
Filing of accounts by 295,000 Belgian companies to the National Bank of Belgium, which is responsible for collecting financial statements from the nation's firms, has switched to XBRL from April 2007.
XBRL France

- Banque de France – mandatory XBRL filings required
XBRL Denmark

- Danish Commerce & Companies House – 2001 – digital company registration system, April 2003 improved to include financial information affecting 100,000 companies
- Danish Bankers Association – use of XBRL to regulate financial information
XBRL Netherlands

- Dutch Water Boards – report to Statistics Netherlands, which reports to EU Commission and the European Central Bank
- Dutch Tax Authority
- 800 De-centralised Government Institutions (municipalities and provinces) on a mandatory basis reporting to CBS
- Government legislated use from 1 January 2007
XBRL Ireland

- Revenue Commissioners (tax agency)
- Central Statistics Office – implemented XBRL to receive information
XBRL Germany

- German Tax Authority uses XBRL for Tax filings
- Corporate Rating portal established using XBRL for the automated delivery of financial information
- Deutsche Börse AG and Frankfurt Stock Exchange implement an XBRL based reporting chain
Other Countries

- China – all listed companies financial information available in XBRL
- Singapore – mandatory filings of financial information to regulator from 1 November 2007
XBRL South Africa

- JSE Limited – Annual / Interim Financial Statements published in XBRL since 2002, using XBRL as investor relations tool, management reporting and evaluation of Central Hub for Listed Company Info
- Alexander Forbes – Retirement Fund Reporting to FSB (Financials) and Quarterly Asset Allocation to SARB
- Various other preparers and consumers in evaluation phase
Tomorrow’s Financial and Business Reporting Supply Chain

- Business Events
  - Web Services
  - Credit cards
  - Excel
  - Paper
  - Other

- Entities
  - ERP System
  - XBRL GL
  - Mgmt Reports
  - External Reports

- Data Aggregators
  - Regulators
  - Public
  - Commercial
  - SME
  - Others

- Users
  - Public
  - Commercial
  - SME
  - Others

- Proprietary Software
  - ERP System
  - XBRL GL
  - Web Services

- Assurance
Contacts and Acknowledgements

- Websites
  - www.xbrl.org
  - www.xbrl.org/za
  - www.iasb.org/xbrl

- Gavin Marais – eX-IT Software (Pty) Ltd
  - 083 964 9982
  - 011 682 3424

- Acknowledgements
  - XBRL International, Inc.
  - International Accounting Standards Board (IASB)
  - Kurt Ramin - Chairman, XBRL International Steering Committee
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IFRS Summit 2007 – 15th May
XBRL Taxonomy

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Sample Financial Statements

Sample Company, Inc.
Consolidated Balance Sheets
(in Euros)

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<tr>
<th>ASSETS</th>
<th>2003</th>
<th>2002</th>
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<tbody>
<tr>
<td>Non Current Assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>540,000</td>
<td>400,000</td>
</tr>
<tr>
<td>Investment property</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>140,000</td>
<td>150,000</td>
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<tr>
<td>Investments in joint ventures</td>
<td>60,000</td>
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<tr>
<td>Total Non Current Assets</td>
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</table>

XBRL Instance Version
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