

XBRL and W3C

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Team briefing

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 - What, why and where
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XBRL at a glance

Financial Reporting

- Recent events have heightened the need for transparency in reporting of financial data
- Companies are required to submit regular reports and disclosures conforming to accepted accounting principles, e.g. IFRS, US GAAP
- New legislation is likely to be even more encompassing as regulators attempt to avoid repeats of the current credit crisis
 - Credit default swaps and obfuscation of risk
- Reports will soon have to be made in XBRL

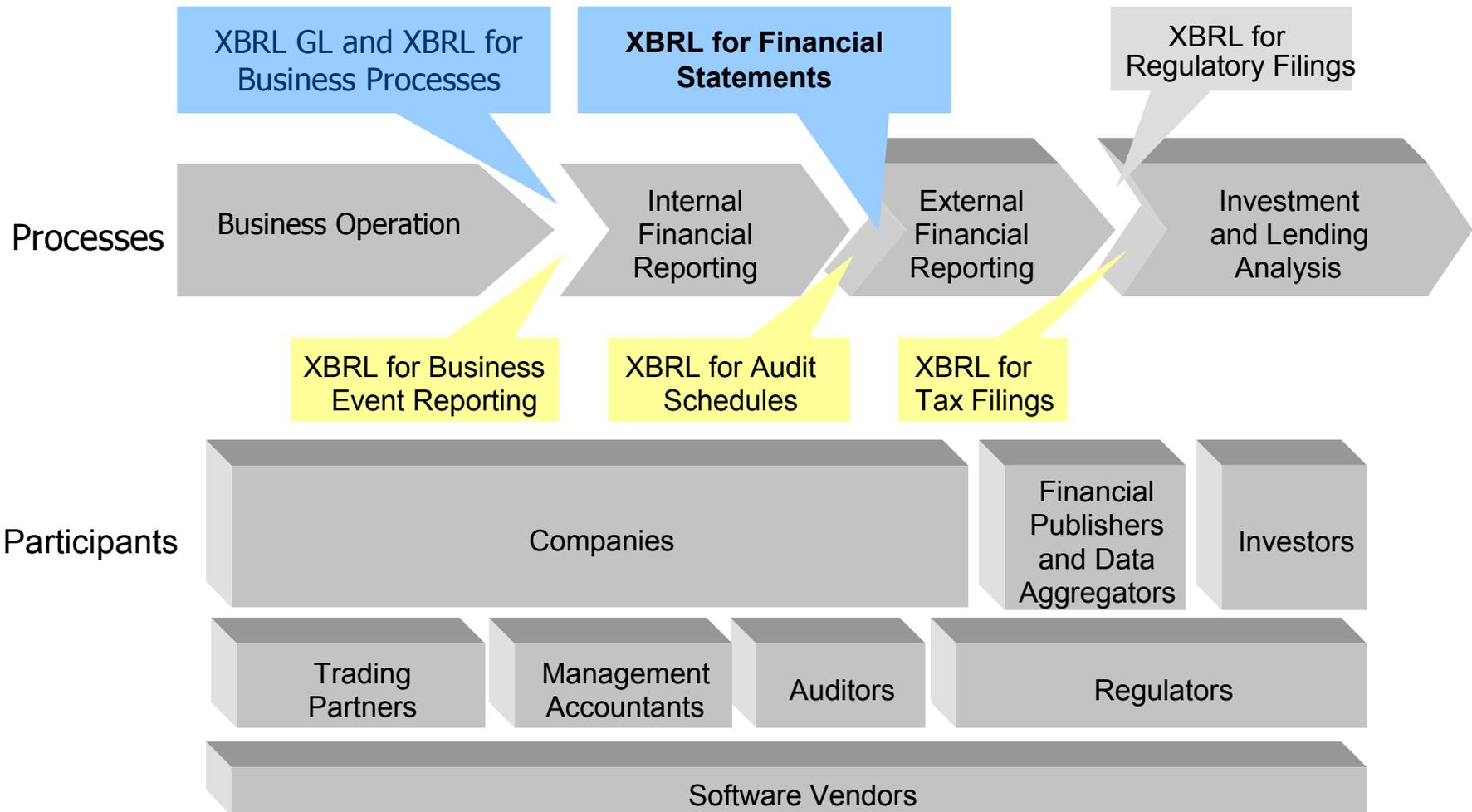
XBRL

- Extensible Business Reporting Language
 - Brings precise semantics to corporate reporting
- Based on XML, Schema, XLink and XPointer
- Developed by XBRL International with the help of regional chapters around the World and with strong support from regulatory authorities
- Large amounts of financial data will soon be available in XBRL
- This is a paradigm shifting event ...

Not just a number

- Each numeric or textual fact is given with
 - The accounting concept
 - Accounts Receivable, Net Current
 - Defined by reference to authoritative accounting literature
 - The instant or duration to which it applies
 - 3 months ending March 31, 2008
 - The unit of measure
 - US Dollars per share
 - Additional accounting dimensions
 - Business segment
 - Links to relevant footnotes

XBRL Information Chain



XBRL Components

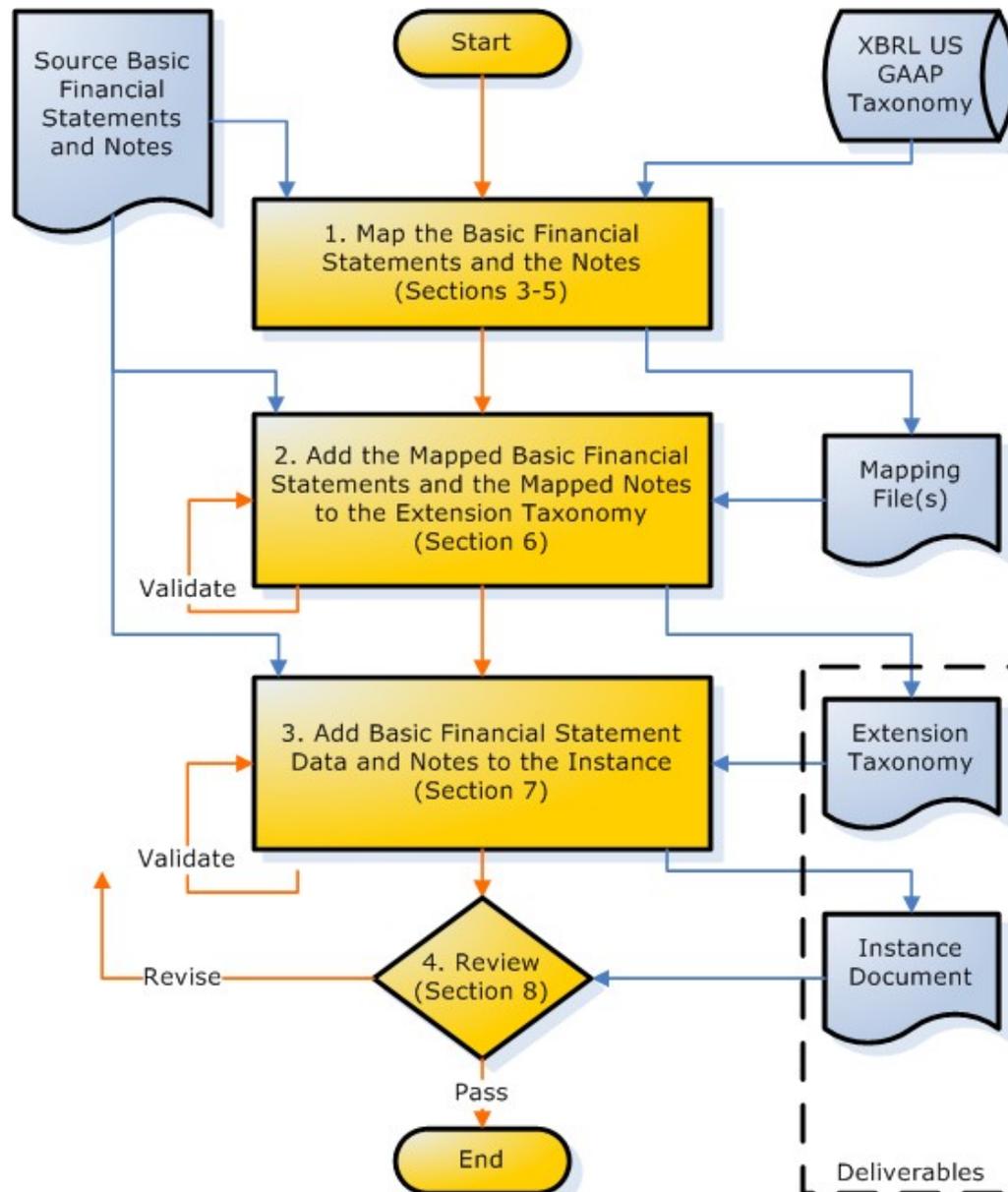
- Instance + Taxonomy + Extensions
 - Each filing may involve 20 to 30 Mb of XML
- Instance file
 - Facts, units, contexts and footnotes
 - References schema files
- Schema files
 - Defines concepts and structure of XBRL documents
 - References linkbase files
- Linkbase files with heavy use of XLink
 - References, labels, presentation, calculations, etc.

```

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```

Preparing XBRL Filings



Rationale for XBRL

- Public demand for greater transparency
 - In response to financial scandals
 - Enron, WorldCom
 - To counter gullibility on individual or mass level
 - Credit default swaps and Sub-prime mortgages
 - Major banks losing billions of \$\$\$
- To avoid re-keying of financial data
 - Resulting in greater accuracy
- To encourage investment in small companies
 - Analysts currently limited to large companies

XBRL around the Globe

- US phased mandate for filing reports in XBRL
 - Starting with largest companies in mid-2009
 - All remaining public companies by 2011
 - Follows on from existing voluntary program
 - Plan to migrate to IFRS from US GAAP by 2016
- Canada, voluntary filing in XBRL
 - Preparing to move to IFRS
- South America, central banks driving XBRL

Europe

- Belgium mandatory use of XBRL from 2008
- France emphasis on XBRL for banking sector
- Germany
 - Small and mid-cap companies submitting data in XBRL thanks to online forms
- Netherlands
 - Dutch government drive to use XBRL reduce by 25% costs for financial, tax, statutory and statistical reporting compliance
- UK thousands of companies already reporting in XBRL which will be mandatory from 2011

Asia

- China adopted XBRL in 2004 for equity markets
 - Soon for mutual funds, IPO and smaller companies
- Japan mandatory use of XBRL to many public companies, and investment funds
- South Korea, public companies from 2007
- India, Bombay and National Stock Exchanges
 - Fully fledged use of XBRL from 2010
- Singapore 50,000 companies required to file in XBRL, although this current excludes banks, insurance and finance companies

XBRL and the W3C

Interactive Potential

- Current focus on XBRL is on helping companies to prepare reports for filing
 - Driven by national reporting requirements
 - Little focus on what to do with filed data!
- Huge opportunities for interactive access to business and financial data
 - Searching, analytics, and combining financial data with other existing sources of data on the Web

Why Semantic Web is relevant

- XBRL is hard to work with directly in XML
 - XSLT and xlink:type="extended"
- XBRL processors map XBRL into internal proprietary data models (closed world)
- By contrast, RDF and the Semantic Web will allow the use of open standards for XBRL data
 - Make it easier to create mash-ups of financial data and to compare data across different taxonomies
 - Facilitate a rich ecosystem of developers of value-added tools for collecting, exploring and analysing huge amounts of data

W3C XBRL Interest Group

Likely topics for discussion

- XBRL taxonomies and OWL
- Versioning
 - Comparing data across taxonomies
- XBRL Formulae, XForms and Rules
 - Constraints across facts
- Richer modelling of presentational information
 - Ordering of tables
- Interactive access and mashups
- Application to risk assessment

Who is likely to be interested?

- Large companies
 - Benefits for use in internal processes
- Owners of financial websites
 - Business Week, Washington Post, Economist, ...
- News services
 - Reuters, Bloomberg, Dow Jones
- Governments for transparency/risk assessment
- Institutional Investors
 - e.g. banks and mutual funds
- Auditors, e.g. Deloitte, PWC