

Associazione XBRL Italia

Presentazione al Consiglio Direttivo

Roma, 20 marzo 2017
Aggiornamento ESMA – IFRS

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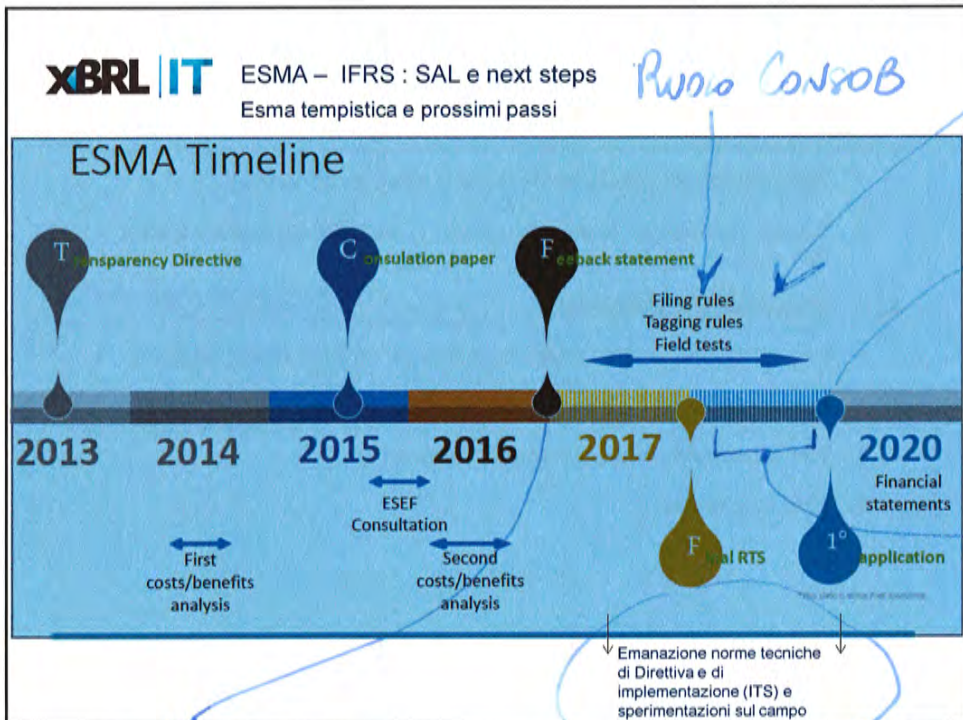
1. Approvazione del verbale del Consiglio Direttivo del 20 febbraio u.s
2. "Quality Assurance" tassonomie BDAP - Banca Dati Amministrazioni Pubbliche
3. IFRS ESMA – Aggiornamento
4. Progetto di bilancio XBRL Italia - Consuntivo 2016 PER APPROVAZIONE
5. Ipotesi Budget 2017 - PER DISCUSSIONE
6. Preparazione Assemblea Soci del 10 aprile 2017
7. Varie ed eventuali

FOCUS PRESENTAZIONE

1. Tempistica e prossimi passi
2. Le risposte alla consultazione ESMA
3. Le principali novità
4. InlineXBRL
5. Tassonomia IFRS
6. Flessibilità vs Comparabilità
7. Fattori critici di successo
8. Traduzione italiana Tassonomia IFRS

Ruolo CONSOB

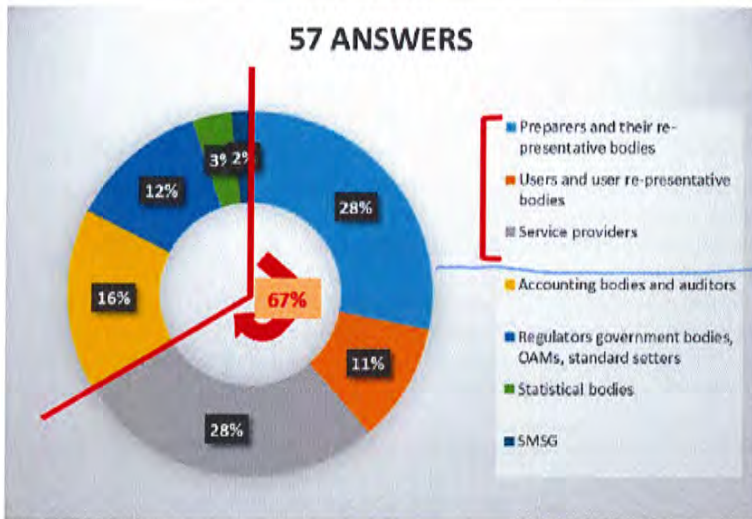
*WG XBRL EU
ESMA E
AUTORITÀ LOCALI*



→ BILANCIO CONSOLIDATO PUSTATE 1/1/2020

→ TEST PILOTA SUL CAMPO

ESEF XBRL "inline"



67%

33%

ESMA proposes new digital format for issuers' financial reporting

Digital format

Inline XBRL

IFRS Taxonomy

Technical rules

to report primary statements 1 January 2020 and disclosures from 2022

Preparers must prepare their IFRS financial statements in the human readable XHTML format, which can be read by standard browsers without the need for specialized tools.

IFRS consolidated financial statements must be labelled using XBRL. The XBRL data is embedded into the XHTML document through Inline XBRL format.

The IFRS Foundation's Taxonomy should be used to transfer financial information into structured data reporting of IFRS financial statements.

ESMA will focus on developing detailed technical rules, field test its proposed solution and afterwards submit the technical standard to the European Commission for endorsement around year-end 2017

FAMIGLIA XML

XHTML
~~PDF PAPER~~
INLINE XBRL

IASB IFRS TAXO.

2017-2020
RTS - IFS

ESMA conclusions

Issuers must label the IFRS consolidated financial statements using XBRL which is machine-readable. The XBRL data is embedded directly into the XHTML document through the *Inline XBRL* format.

iXBRL technology

- XBRL data can be processed by software for analysis and thus becomes machine-readable and 'structured'.
- iXBRL maintains consistency between tagged information and the human readable version.
- Companies may keep their presentation in the HTML format.
- ESMA may extend mandatory labelling of information using XBRL to other parts of the annual financial report or to financial statements prepared under third country GAAP at a later stage.

→ ELABORABILE

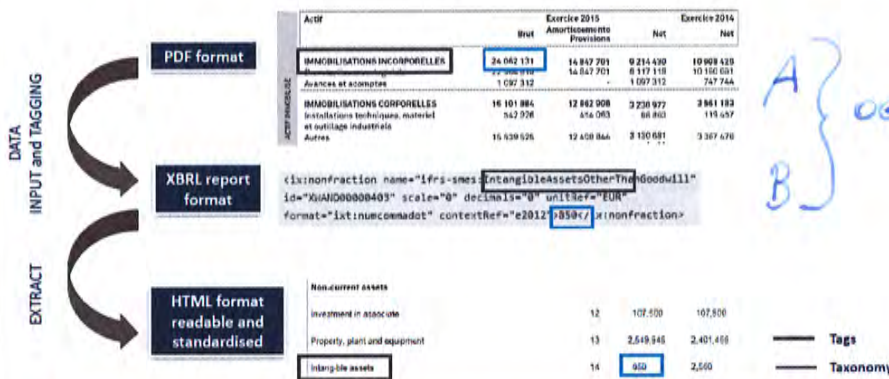
→ ELIMINA
DOPPIO PROCESSO

→ DISCREZIONALITÀ
ESMA

Inline XBRL helps to decouple the presentation (HTML) and the representation (XBRL)

DISACCOPPIAMENTO PRESENTAZIONE E CONTENUTI

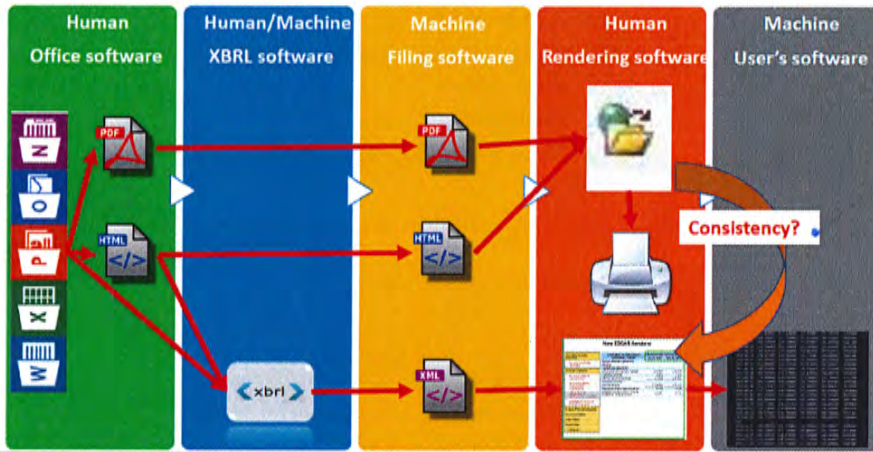
iXBRL as described



A }
B }
OGGI: DUALITÀ

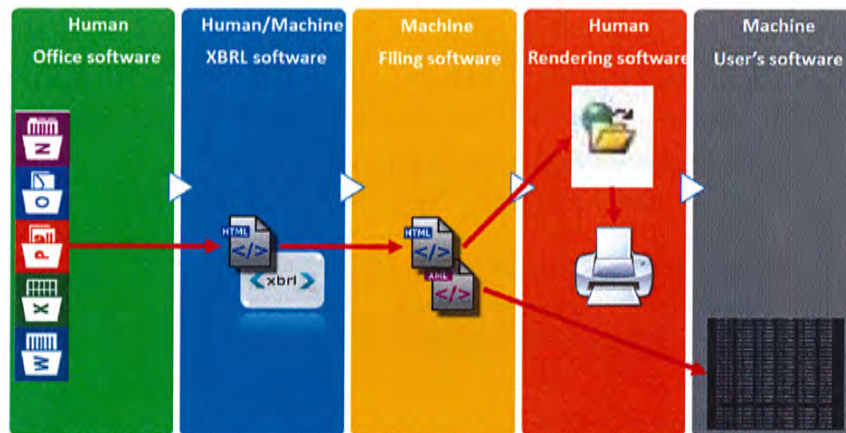
A+B

Dual filing: PDF or HTML and XBRL



? CONFORMITÀ DICHIARAZIONE
? AMBITO REVISIONE

Single filing: Inline XBRL



UNICO FILE $\left\{ \begin{array}{l} \text{STAMPA / BROWSER} \\ \text{ELABORABILE} \end{array} \right.$

Embedded xbrl is XBRL



- It should be valid XBRL ≡ VALIDO E "BEN FORMATO"
- Should be validated against **filing rules**
 - Extension rules
 - Tagging rules
- Should be validated against **validation rules**



- Should be machine readable

"I just hope that ESMA endeavors to learn from the mistakes of the US SEC, rather than repeating those same mistakes. Inline XBRL is simply another layer on top of XBRL. The information still needs to be represented correctly."

Charles Hoffman

ESMA conclusions

The IFRS Foundation's Taxonomy should be used to transfer financial information into structured data for the electronic reporting of IFRS financial statements.

IFRS taxonomy

- IFRS Taxonomy is the base taxonomy selected
 - It is available and contains the information required by the norms issued by IASB
 - And the common practice elements
- With extension rules to be defined
 - Extensions would be necessary to structure entity-specific elements

(?)
QUALI EXTENSION

Limits of the IFRS Taxonomy

CONSOLIDATED INCOME STATEMENT

✓ Defined in the IFRS taxonomy
? Not defined in the IFRS taxonomy

(EUR million, except for average shares)		Notes	June 30, 2016	Dec. 31, 2015	June 30, 2015
Revenue	✓	23	17,188	35,664	14,707
Cost of sales	✓		(5,917)	(12,553)	(5,861)
Gross margin	?		11,271	23,111	10,826
Marketing and selling expenses	✓		(4,925)	(13,800)	(4,601)
General and administrative expenses	✓		(1,381)	(2,443)	(1,247)
Income (loss) from joint ventures and associates	✓	7	4	(13)	(3)
Profit from recurring operations	?	23-24	2,999	6,405	2,995
Other operating income and expenses	?	25	(60)	(221)	(64)
Operating profit	✓		2,919	6,384	2,891
Cost of net financial debt	?		(30)	(79)	(52)
Other financial income and expenses	?		(125)	(336)	(207)

ELEMENTI
NON DEFINITI
ESMA
ARMONIZZAZIONE
CONCRETI

ESMA conclusions

ESMA will focus on developing the detailed technical rules, field test its proposed solution and afterwards submit the technical standard to the European Commission for endorsement around year-end 2017.

Detailed technical rules

- Reconcile data legibility and comparability with flexibility for preparers in their presentation choices. The costs/benefits analysis will help define the possible solutions.
- Define the level of harmonisation and standardisation needed for the transformation of the financial information in structured format.

FLESSIBILITÀ
VS
COMPARABILITÀ

It is known that 'extensibility' and 'comparability' are mutually exclusive objectives. Comparability requires a reference point against which all other data relates.

ES. DETAGLIARE (EXTENSION) LE VOCI RESIDUALI
NON INCIDE SULLA COMPARABILITÀ

RIF. NODI DEFINITI NELLA STRUTTURA GERARCHICA

Questions to be answered for the final RTS

- Filing rules
 - Input rules for issuers
 - For example : currency, decimals, units,...
- Tagging rules
 - Textblocks or detail tagging
 - Complete tagging or incomplete tagging authorized
- Validation rules
 - Validation rules for automatically checking the quality of data
 - For example: Total assets=Total liabilities + Total equity, Income per share,...
- Extensions
 - Several options are considered

Extension options

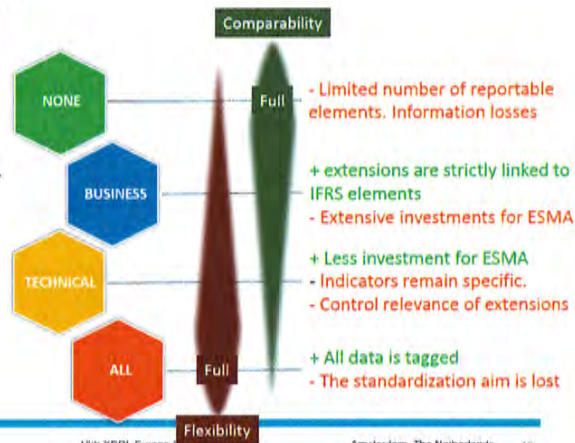
- ①
- ②
- ③
- ④

Extensions are not allowed. Only reportable elements of the IASB official taxonomy are tagged.

Extensions are pre-defined by ESMA. Preparers are not authorized to create new ones.

Preparers define their extensions providing these are correctly « linked » to reportable elements of the taxonomy.

ALL extensions are defined by preparers (similar to SEC filing).



RIGIDO
 GESTITE SOLO DAL SUPERVISOR
 GESTITE DAL 'PREPARER' MA VINCOLATE
 "ANARCHICO"

Extensions of US GAAP/ SEC taxonomy

	US GAAP 2015		IFRS 2015	
	ESD Ind & Corn.	ESD Total	Taxo. elements	Taxo. elements
Balance sheet	17 957	26 788	408	69
Income statement	12 945	21 230	1 240	32
Revenues	1 444	3 773	151	1
Cash flow	20 225	30 618	795	71
TOTAL	51 127	78 127	2 443	172
Companies	4 905 10.4	6 466 12.2		6 160

CON DISCLOSURE

490.000!!!

RICONDUCIBILI A

RISP. NO

Conditions for success of the iXBRL reporting

- **Use a strong reporting taxonomy**
 - Contains the validated IFRS defined elements that set the level of expected comparability
 - Includes all structures for controlling extensions in order to leave enough flexibility
 - Extensive validation rules to assure quality of reported XBRL data
- Two steps implementation
 - Should not prevent the design of the full financial statements taxonomy at the start so that all validation rules between primary statements and disclosures can be anticipated.

CONTROLO DELLE EXTENSION
DATA QUALITY (VALIDATION RULE)

APPROCCIO "EUCFIO"

Conditions for success of the iXBRL reporting

- **Develop market awareness** *FORMAZIONE EVENTI SPERIMENTAZIONE*
- **Training**
 - Extensive training of all parts involved
- **DATA QUALITY**
 - Make business professionals understand the necessary quality of data
 - Ensure that software vendors propose solutions providing that quality of data
- **Use full expertise from XBRL consortium**