

Canadian XBRL Perspectives

Advanced Data Management - From XBRL Canada

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Up-to-date News and Information on XBRL as it affects Canada

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SECTION 1 EDITORIAL

The Case for iXBRL - *by Gerald Trites, FCA*

Inline XBRL (iXBRL) is a combination of XBRL and HTML. Everyone is familiar with HTML as the language in which websites are written. iXBRL documents are human readable, which makes them different from standard XBRL. In fact, the iXBRL documents usually look no different than regular documents because the XBRL tags are hidden from view, but can be used by software. The end result is that iXBRL documents have all the advantages of XBRL, but retain the advantages that might go with regular human readable documents. iXBRL can also be incorporated into PDF documents.

HM Revenue and Customs (HMRC) in the UK as well as Companies House have been requiring filings to be in iXBRL since January 1, 2010. They had several reasons for taking this approach. They felt that the ability to read the documents would expedite the follow up that was often required after the software identified anomalies. In addition, the filers would be familiar with the appearance of the documents and feel more comfortable with them.

The SEC has recently said that they are considering the use of iXBRL as well. At present, companies are required to file regular HTML documents and, in addition, XBRL documents. Moving to iXBRL would enable them to meet the filing requirements with only one filing, which surely would yield savings for them.

In Canada, filers are presently required to file PDF files with the securities commissions. When they begin to require XBRL filings, which will probably take place in future, they should also require the filings to be in iXBRL. This would enable the companies to file the same kind of documents they have been filing. The only difference is they would have the XBRL tags embedded in them, so that users who wish to use the XBRL features of the filings would easily be able to do so.

This approach would result in savings all round.

SECTION 2 THE XBRL CANADA ROADMAP

A new publication of XBRL Canada and the Canadian Institute of Chartered Accountants (CICA), the XBRL Roadmap has been released in English and French.

Canadian businesses are required to file a wide range of information with numerous government departments and agencies. The frequent need to report the same data several times, requires them to assemble and present those data each time, usually in different formats. This lack of a common format makes compliance expensive and time consuming as businesses have to tailor, duplicate and individually supply the information needed to meet the many and varied requirements of each department and agency. The Canadian Federation of Independent Business estimates this compliance process costs Canadian businesses \$30.5 billion annually.

The Government of Canada has also recognized that compliance is an expensive problem. In January 2011, Prime Minister Stephen Harper announced the creation of the Red Tape Reduction Commission to identify what it calls “irritants to business” and remove them “in order to reduce the compliance burden on businesses, especially small businesses”. In response to the Commission’s call for reports, XBRL Canada and the Canadian Institute of Chartered Accountants both recommended the use of eXtensible Business Reporting Language (XBRL) to achieve the government’s goals. The Commission reported in January, 2012, and while it did not recommend the adoption of XBRL, it left the door open for technology solutions to be adopted as red tape reduction initiatives are carried out. The Roadmap was prepared to show how XBRL could be implemented.

A growing number of countries are currently implementing or have already implemented Standard Business Reporting (SBR), an approach to filing with governments that involves adopting XBRL across a wide range of government departments and agencies. The experience of other countries indicates that SBR could save Canadian filers as much as \$1 billion a year in the cost of compliance. Our report also highlights the savings available to government by using technology to process those filings to a much greater extent than is being done at present. The cost of human error could thereby be reduced and human resources redirected from administrative processing routines to the more valuable work of data analysis.

This roadmap report sets out a strategy that would enable the federal government to take the lead in adopting SBR.

In summary, this report provides a roadmap for government to:

1. Initiate a comprehensive SBR program using XBRL across as many departments and agencies as possible and reasonable.
2. Establish a core group to manage the project from inception to implementation.
3. Encourage and engage the departments and agencies to collaborate in the development of the SBR program.
4. Initiate collaboration with market intermediaries and suppliers, including software developers, to build the SBR filing requirements seamlessly into their products.

The Roadmap is available in electronic form at www.xbrl.ca.

SECTION 3 MEMBERS' CORNER

CaseWare International – by Karen deSouza

CaseWare International Inc., makers of CaseWare Working Papers and CaseWare IDEA, has been a proud member and supporter of the XBRL consortium since its inception.

Our customers use CaseWare products to prepare, review and audit financial statements, manage client engagements, conduct detailed audit and fraud detection tests, track time and billings and support overall practice management.

CaseWare Working Papers is engagement software used in over 50 countries to help our clients generate financial statements with ease and efficiency. For many years Working Papers has allowed users to tag all elements of the financial statements with a single or multiple XBRL taxonomies, perform validation and easily create instance documents. With the XBRL tags **embedded** in your financial statements, any changes to your financial statements will flow through when you generate an XBRL or Inline XBRL file.

"It's great to see the steady growth of participation at XBRL events.", said Dwight Wainman, CEO of CaseWare International Inc. "It is obvious that more and more accountants, corporations, institutions and government agencies are seeing the importance of XBRL and are moving forward with the implementation of XBRL in external financial reporting, regulatory reporting and internal financial management. CaseWare Working Papers is XBRL-enabled and ready to assist in these important advances."

In The Netherlands, XBRL reporting is organized by the SBR (Standard Business Reporting) department of the Dutch government, as by a special cooperation of three large Dutch Banks (RABO, ING, ABN AMRO). The banks' involvement in this process has placed a high level of interest in XBRL at accounting firms.

In the United Kingdom, HMRC (the U.K's. governing tax body) are requiring all limited company accounts to be filed, along with the accompanying tax submissions, as tagged XBRL documents.

In Belgium, the National Bank of Belgium (NBB) has allowed companies to report tax declarations in XBRL.

CaseWare has delivered fully-embedded solutions that perfectly complement the latest financial reporting standards in each of these jurisdictions. Our specialized XBRL templates, pre-tagged according to the appropriate taxonomy, make the production of a XBRL Instance Document by an accounting firm or corporation an easy and efficient step in the financial reporting process.

SECTION 4 THE IFRS TAXONOMY CORNER

An Update on The IFRS Taxonomy and the SEC

People across the country are still asking about the status of the IFRS Taxonomy in the eyes of the SEC. The backdrop is now well known. The SEC passed a rule saying that all Foreign Private Issuers using US GAAP or IFRS must file in XBRL. Those using US GAAP – about 15 companies – have been filing since 2009. Those using IFRS were originally supposed to start filing in 2011, but that was deferred because the IFRS taxonomy has not yet been approved by the SEC. Under the filing rules for XBRL, there is a requirement that one of the approved

taxonomies listed on the SEC site must be used. Since there is no approved taxonomy for IFRS, it is impossible to follow the rule.

The SEC acknowledged this in a public letter last year, and said they were working with the IASB Foundation on the taxonomy and would approve it. Most people seemed to feel that they would approve it during 2012.

However, that approval has not come and the SEC is now saying that they don't know when it will be approved. The SEC is still working with the IASB on the taxonomy and the IASB has initiated some significant projects to identify what changes need to be made to the taxonomy to make it more useful for particular industries, such as the Oil and Gas industry, nevertheless neither side will confirm an expected date of completion. XBRL Canada is monitoring the situation very closely.

At the core of the issue are several design issues, some of which are quite fundamental, like the use of dimensions, instant or duration concepts and element naming conventions. It appears that, as presently constructed, the taxonomy cannot be properly used in the SEC's data consumption tools that they have been using for XBRL data based on the US GAAP taxonomy.

Other countries that have been faced with similar problems have developed their own variations on the taxonomy. No country has adopted the IFRS Taxonomy in its native issued format. Some informed people feel that the US will also develop its own version, perhaps by incorporating IFRS into its US Taxonomy. This may be an option, but there is no project under way at this time to do that. At present the SEC and the IASB are still working together and the IASB has launched its projects to develop new taxonomy elements based on best practices. How long this will take is anyone's guess. But it is clear that the SEC continues to be determined to have XBRL filings of Foreign Private Issuers as soon as possible, because they are finding that XBRL is yielding extremely useful information for their purposes.,

That determination may make all the difference.

SECTION 5 FORTHCOMING EVENTS

XBRL Canada offers a series of webinars during the year. The latest one, offered in conjunction with the Canadian Institute of Chartered Accountants, was held on Wednesday, May 30th. This was an introductory webinar, with a focus on the role of XBRL in data management and data analytics. The webinar was archived and is available at the following link: http://www.snwebcastcenter.com/event/?event_id=2828.

ADDITIONAL INFORMATION

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