Seminar

Addressing Information Gaps in Business and Macro-Economic Accounts to Better Explain Economic Performance

New York, 23 – 24 June 2008
United Nations, Conference room C

XBRL initiatives on data and information preparation
Mike Willis
Addressing information gaps in business and macro-economic accounts

XBRL Overview*

June 24, 2008

*connectedthinking
What is XBRL?

International Supply Chain Standardization effort
Relevant to internal and external business information
Mandated by economics as it enables significant benefits
Mandated by regulators (including SEC)
Replaces manual process steps with automation
Applicable to business information, related business rules, formulas, controls, processes, resources, etc.

http://www.xbrl.org and http://xbrl.us
XBRL is designed to enhance business reporting supply chain
## The Adoption of XBRL is a Reality

Here is some examples of market implementations:

<table>
<thead>
<tr>
<th>Country</th>
<th>Organization</th>
<th>Program/Application</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Tokyo Stock Exchange (TSE), NTO, BoJ</td>
<td>TSE Registrant Financial Report Filings</td>
</tr>
<tr>
<td>United States</td>
<td><strong>Securities Exchange Commission</strong></td>
<td>XBRL Voluntary Filer Program</td>
</tr>
<tr>
<td></td>
<td>FFIEC/FDIC/FRS/OCC</td>
<td>Call Report Modernization</td>
</tr>
<tr>
<td>UK</td>
<td>Companies House</td>
<td>Accounts Filings</td>
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<tr>
<td></td>
<td>HM Revenue and Customs</td>
<td>Company Tax Filings</td>
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<tr>
<td>China</td>
<td>China Securities Regulatory Commission</td>
<td>Interactive Data Filing for Financial Statements</td>
</tr>
<tr>
<td>Australia</td>
<td><strong>Australian Treasurer</strong></td>
<td>Standard business reporting program – Business Centric Model</td>
</tr>
<tr>
<td>Netherlands</td>
<td><strong>Min of Finance/Justice</strong></td>
<td></td>
</tr>
<tr>
<td>Singapore</td>
<td>ACRA</td>
<td>Mandatory Filing for all registrants</td>
</tr>
<tr>
<td>Korea</td>
<td>Financial Supervisory Service/DART</td>
<td>Mandatory Filing for all registrants</td>
</tr>
</tbody>
</table>
Recent Headlines & White Papers

Motley Fool – The most important shareholder initiative in a decade (March 24th)

Gartner - XBRL Will Enhance Corporate Disclosure and Corporate Performance Management (April 23rd)

MSN Money – A Revolution for the small investor (April 30th)

Treasury & Risk Magazine – Time to Speak the Same Language (April)

FEI Magazine – XBRL: Not Just for External Reporting (May)
What does XBRL Look Like?

What does XBRL look like?
- Example here
- Example here

How does it make your life better?
- Example here – consolidation, aggregation, reporting
- Example here – accessing public disclosures
- Example here – How do you access data?
XBRL is More Than Just Tagging Business Information

- Multi-dimensional business and financial data representations
- Flexibility of business reporting vocabularies (i.e. taxonomies)
- Mathematical relationships between concepts
- Flexibility about how to present information to users

**Definitions**
Related to Liquid Assets

**References**
GAAP I.2.(a) CoA 1100

**XBRL**
\(<\text{cash}>\) “200”

**Presentation**
Cash & Cash Equivalents

**Label**
Cash in Bank

**Calculations**
Cash = Currency + Deposits

**Formulas**
Cash ≥ 0

**Contexts**
US $X
FY2009
Budgeted
XBRL can be used to articulate

Information concepts (external disclosures and internal ledgers)
Information contexts (including dimensions)
Entity specific information concepts (unique extensions)
References to relevant resources (standards, policies, etc.)
Formulas (validation, analytical, controls)
Alternative presentation labels (multiple languages)
References to other concepts / standards (any of the above/others)
Entities (and entity relationships structures)
Others
What is the FASB Standard for the current deferred tax assets?
## Transparency

Formulas, Definitions, References, etc.

### Labels

<table>
<thead>
<tr>
<th>Label Intent</th>
<th>Label Text</th>
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<tbody>
<tr>
<td>Label</td>
<td>Gross Profit</td>
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### References

<table>
<thead>
<tr>
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<tr>
<td>Number</td>
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### Schema

<table>
<thead>
<tr>
<th>Attribute Name</th>
<th>Attribute Value</th>
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<tbody>
<tr>
<td>Concept Name</td>
<td>GrossProfit</td>
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<td>Concept ID</td>
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<td>Concept Type</td>
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<tr>
<td>Substitution Group</td>
<td><code>xbrl:item</code></td>
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</table>
What does transparency mean?
“SDMX and XBRL to Explore Interoperability”
15 December 2006

SDMX and XBRL to Explore Interoperability

Basel / New York – 15 December 2006 - The SDMX Sponsors Committee and XBRL International announced that a preliminary investigation by SDMX and XBRL experts has confirmed the potential for interoperability between the two frameworks, which have focused on aggregated statistical data and individual business reporting, respectively. Interoperability could lead to greater efficiency in the exchange and quality of data and metadata between the business reporting and statistical domains. The two organizations announced plans for a project to explore the possibilities further. A working group that will include SDMX and XBRL experts will be formed shortly.

Paul Van den Bergh, Chairman of the SDMX Sponsors Committee, and Michael Ohata, Chairman of the XBRL International Steering Committee, together announced the new joint project: “SDMX and XBRL are complementary and non-competitive. The statistical and business reporting community have a clear interest in making the exchange of data across their respective domains as efficient as possible. We look forward to bringing the interests and requirements of our groups together to develop the necessary analytical and technical framework to bridge our domains.”

More details on this project and progress of the working group will be available at the websites of SDMX (www.sdmx.org) and XBRL (www.xbrl.org).
Contact Information

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More info on XBRL

Hitachi XBRL Blogs

Three common reasons for Not using XBRL: What CFOs should really know
(Why XBRL enables a more efficient, accurate and timely supply chain than the existing process and/or intermediaries)

America's Favorite Pastime: What You Measure Impacts Performance
(Using the baseball statistical analogy of the Bill James story, I have attempted to bluntly connect the dots between the lack of cost effective access to relevant data and the ability to create/produce relevant performance information. The first article includes a link to the 60 minutes story and webcast on Bill James.)

America’s Favorite Pastime: How You Measure Performance Impacts Results

Various Case Studies/White Papers
Following is a listing of potentially relevant articles and white papers that may be relevant to you. Thought that you might read through the summaries below and pick only those that are relevant to your interests and needs.

Journal of Accountancy: ROI on XBRL (June, 2007)
http://www.aicpa.org/pubs/jofa/jun2007/stantial.htm <this one highlights the internal reporting enhancements available (25% cost reduction)


Credit Suisse Equity Analyst Report: XBRL Coming Soon to a Computer Near You (May 14, 2008) (attached)

XBRL Case Studies on 3M, Comcast, Morgan Stanley and Microsoft

Strategic Finance: Breathing new life into old systems with the XBRL GL

Treasury & Risk Magazine: Time to Speak the Same Language
http://www.treasuryandrisk.com/topic/governance/reporting/

Professional Investor: Cheaper, Smarter, Faster: Benefits to Analysts from XBRL,
(September 2006)
http://www.cfordirect.pwc.com/CFODirectWeb/Controller.jsp;jsessionid=Lx3dwp1GrsJi0Lpp4FxBpJGQ9s9NL4WTKpvVTKjZjL1XfDJGyK1276909282?ContentType=MSRA-6TEKFM&ContentType=Content
YouTube Just Systems: **XBRL in plain English** (May 2008)
http://www.youtube.com/watch?v=5F1E-2LkhW8

Motley Fool: **The most important shareholder initiative in a decade** (March 24th)

MSN Money: **A Revolution for the small investor** (April 30th)