

## Call for Interest to Foreign Filers to US SEC in IFRS Frequently Asked Questions

### **What is the context of the initiative?**

On 17 December 2008, the US Securities and Exchange Commission (SEC) issued a rule enforcing the use of Interactive Data (ie XBRL) for US-listed public companies. According to this rule, foreign private issuers (FPIs) 'using IFRS as issued by the IASB will be required to tag their financial information using the most recent list of tags for international financial reporting, as released by the IASCF and specified in the EDGAR Filer Manual'.

In short, from 15 June 2011, FPIs filing their 10Qs and/or 20Fs to the US SEC using International Financial Reporting Standards (IFRS) will be obliged to submit these filings using the IFRS Taxonomy issued by the International Accounting Standards Committee (IASC) Foundation. The possibility also exists that the US SEC will allow FPIs to submit voluntary IFRS filings from March 2011.

In order to ensure that the IFRS Taxonomy can be used by real companies (from 15 June 2011) to produce US SEC filings in IFRS, the present initiative has been launched.

### **Who is co-ordinating the initiative?**

This initiative is being co-ordinated solely by the IASC Foundation. Although the sample data (ie the instance documents) will be provided to the US SEC, the US SEC is not involved in the initiative.

### **What are the expected deliverables from the initiative?**

It is expected that participating companies will be able to produce an XBRL filing (ie an instance document, plus extensions where applicable) that represents the reporting requirements in Form 20-F, using real data that has been created using concepts from the IFRS Taxonomy 2010.

### **What is the timeline for the initiative?**

It is expected that participating companies will produce final XBRL filings by mid-June or early July 2010. It is expected that this initiative will be completed before the end of August 2010.

Following the completion of the US SEC initiative, participating companies are invited to extend their involvement by joining the IASC Foundation's Field Testing Initiative. Like the US SEC initiative, the Field Testing Initiative is intended to test the usability of the IFRS Taxonomy, but over a more long-term period and for any financial reporting requirements (ie it is not restricted to US SEC filings). It is expected that the Field Testing Initiative will be completed before the end of March 2011.

### **What are the benefits for companies that participate in the initiative?**

Firstly, companies that are able to successfully produce XBRL filings as a result of this initiative will be well-prepared and able to submit IFRS filings to the US SEC when XBRL filings become mandatory from 15 June 2011.

Secondly, the sample filing will be prepared with some support from the IASC Foundation. This will maximise the likelihood that the filing complies with the US SEC's EDGAR filing requirements and will therefore reduce the filing time and cost.

Finally, participating companies will be able to share and learn from each other's filings and experiences.

**What are the expected time requirements from participating companies?**

Based on our experience, the Form 20F (annual accounts) requires approximately 120-200 items/concepts to be tagged, although this depends upon each company's activity and upon the number of company-specific concepts (extensions) that are required. It is estimated that the total time required to tag concepts, create extensions and produce a filing is approximately 40 hours.

**What information should be tagged?**

For the first year of filings to the US SEC, FPIs are required to tag only information on the face of the financial statement (PFS). Notes will have to be tagged using a single block. This is level 1 tagging, and this will be the focus of the initiative. Whether the reports are annual or quarterly will depend upon each company's reporting requirements.

**Which software should be used?**

The IFRS Taxonomy 2010 has been developed and tested using a number of XBRL tools; however, the IASC Foundation does not recommend or endorse particular products or service providers. The IASC Foundation XBRL Team is familiar with most XBRL products that are currently available on the market and is therefore happy to work with the tools/software chosen by participating companies.

**Will the filings be made public?**

All information and filings will remain confidential, and will be shared only with the US SEC. However, the IASC Foundation encourages participating companies to publish their filings. The publication of filings on companies' websites is also a requirement of the US SEC mandate.

**Please direct any other questions to Olivier Servais, Director of XBRL Activities, IASC Foundation, 30 Cannon Street, London EC4M 6XH, email: [oservais@iasb.org](mailto:oservais@iasb.org)**