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This document is provided as a convenience to observers at IFRS Foundation meetings, to assist them in following the discussion.

INFORMATION FOR OBSERVERS

IFRS Foundation Trustees Meeting, Seoul 13 October 2010

AGENDA PAPER 8D**IASC Foundation XBRL Team
Trustees' Report for XBRL Activities**Executive Summary

Outreach activities have been maintained to coordinate the global adoption of the IFRS Taxonomy. The XBRL team is also maintaining its **interaction with IASB/technical staff** in order to enhance the quality of the IFRS Taxonomy. In Europe, **CESR will conduct a cost-benefit analysis** on the use of XBRL to consider a scenario under which there is a **5-year transitional period to introduce a mandatory requirement**. On the US front, the findings from the pilot project with voluntary Foreign Private Issuers filing in IFRS to US SEC have been shared with the **US SEC**. Regarding the issue of **Extensions**, and in coordination with the XBRL Board Advisory, the XBRL team has started to **identify and list additional concepts** that are commonly used by preparers. Lastly, the Trustees are asked to review and tentatively approve the XBRL team's recommendation for the new composition of the two XBRL committees, the **XBRL Advisory Council** and the **XBRL Quality Review Team**

1 XBRL Team activities**1.1 Update on XBRL team's activities**

- **Outreach activities** have been maintained to coordinate the global adoption of the IFRS Taxonomy around the world (see *below*). This year, the XBRL team was invited to attend meetings with local stakeholders in Belgium, Brazil, Canada, Chile, China, France, Japan, Malaysia, Mexico, Poland, Spain, UK and in the US.

- On 5 August, the **first interim release** (ie IFRS Taxonomy extensions) reflecting *Improvements to IFRSs* for the 2008-2010 project cycle was released.
- On 27 July, the first **illustrative examples** in XBRL for the IFRS Taxonomy 2010 were published in order to illustrate the use of the IFRS Taxonomy in financial statements.
- Since June 2010, a **repository database** for XBRL filings (to be used for internal analysis purposes only) has been in development. The objective of the database is to provide a means of analysing and evaluating large numbers of filings in order to better understand what concepts are being reported, and to use this knowledge to improve the quality of the IFRS Taxonomy. To date, the repository contains filings from the US SEC and also filings from the Japan FSA.
- Involvement in the **Interoperable Taxonomy Architecture (ITA)** project continues and significant progress has been made to align the architectures of the IFRS, Japanese EDINET and US GAAP Taxonomies. In order to promote a consistent set of filing rules that will benefit XBRL financial reporting, the members of the ITA initiative – *IFRS Foundation, Japan FSA and US SEC* – have drafted a **Global Filing Manual (GFM)**. The GFM contains recommended rules and guidance for the preparation, submission and validation of regulatory filings in XBRL format and is an amalgamation of the filing rules for the EDINET, IFRS and US GAAP Taxonomies.
- On 20 September, a special pre-conference education session on IFRSs and XBRL was held for participants of the **World Standard Setters conference**.
- Lastly, planning is underway for the first ***IFRS Taxonomy Annual Convention*** which will be held on **29 March 2011** at the Renaissance Chancery Court Hotel in **London**. The convention is intended as an opportunity to gather stakeholders from different regions and business areas to meet and to share views on IFRS and XBRL adoption, and to discuss issues such as implementation and extensions. The date and location have been aligned with the London Trustees’ meeting in order to encourage attendance and involvement by the Trustees and member of the Monitoring Board.

1.2 Update on interaction with IASB/technical staff

- Interaction with the XBRL Board Advisory¹ continues. The latest topics that have been discussed with the group include:
 - Common-practice and extensions (see [below](#))
 - Illustrative examples

¹ The XBRL Board Advisory is comprised of six Board members: Cooper (Chair), Danjou, McConnell, Finnegan, PK and the recently appointed Pacter¹, plus Teixeira and Seidenstein

- IFRS Taxonomy 2011 release time line and further integration with technical staff
- Convergence of content with the US GAAP Taxonomy
- In order to further integrate the activities of the XBRL team and the technical staff, two members of the technical staff have been instructed on how to identify taxonomy tags for IFRS concepts when writing an IFRS. The objective of this initiative is to align the tagging process with the standard-setting process (similar to the process that is already in place at FASB), thereby enhancing the quality of the tags in the IFRS Taxonomy. A further update will be provided once this initial ‘pilot’ is complete.
- On 25 August, an executive roundtable on “IFRS and XBRL, Working Together” was organised with senior representatives of the main accounting firms (ie the International Technical Partners) to gauge and share their views and opinions on:
 - IFRSs and XBRL in the context of the growing emergence of both standards around the world; and
 - The role of accounting firms in implementing IFRSs and XBRL.

Several members of the XBRL Board Advisory also attended the meeting. The attendees of the roundtable confirmed that most of the strategic decision made by the team are adequate however, the participants also restated the importance of having an IFRS Taxonomy that reflects common or best practice. The participants also suggested that a taxonomy that is continuously updated - versus a taxonomy that is released once a year - is preferable. Because this is a new concept, it will be tested with other stakeholders.

2 IFRS Taxonomy adoption

This section aims to provide Trustees a global overview of the adoption of IFRS taxonomy around the world to better appreciate the impact of the XBRL activities on IFRS implementation.

2.1 Overview

The IFRS Taxonomy is currently being used as the base taxonomy in the following XBRL projects:

- Corporate/securities filing:
 - Accounting and Corporate Regulatory Authority of **Singapore** *ACRA Taxonomy*;
 - CNMV (Comisión Nacional del Mercado de Valores) of **Spain**;
 - DART (Data Analysis, Retrieval and Transfer System) of the Financial Supervisory Service, **Korea**;

- Financial Services Agency of **Japan** *EDINET (Electronic Disclosure for Investors NETwork) Taxonomy*;
- **Israel** Securities Authority MAGNA platform;
- Ministry of Finance, **PR of China** *Chinese Accounting Standards (CAS) Taxonomy*;
- Standard Business Reporting Program in **Australia** and **The Netherlands**;
- Superintendencia de Valores y Seguros información del Mercado de Valores of **Chile** *SVS Taxonomy*;
- XBRL **South Africa** *SA Taxonomy*;
- XBRL **UK** *UK-IFRS Taxonomy*;
- Banking regulation²:
 - **CEBS** (Committee of European Banking Supervisors) *FINREP (FINancial REPorting framework) Taxonomy*;
- **Microfinance** Information eXchange *MIX Microfinance Taxonomy*;

Other projects:

Most countries who have adopted IFRSs are also considering whether to adopt XBRL and the IFRS Taxonomy. These include Brazil, Canada, Denmark, India, Indonesia, Italy, Luxembourg, Mexico, Poland and Switzerland.

2.2 European Union

To date, the adoption of XBRL in Europe has not been coordinated by a single public authority. Some countries have adopted XBRL (Belgium, Denmark, France, Italy, Luxembourg, the Netherlands, Spain and UK) but there has not been a pan-European movement, in particular from a securities regulation viewpoint. The only exception to this has been the coordinated approach adopted by the CEBS for the COREP (COMmon REPorting framework) and FINREP (FINancial REPorting framework) projects.

In October 2009, CESR issued a call for evidence on ‘The Use of a Standard Reporting Format for Financial Reporting of Issuers Having Securities Admitted to Trading on Regulated Markets’. On 3 August 2010, CESR announced ‘a series of proposed measures for developing pan-European access to financial information disclosed by listed entities. The purpose of the various measures is to harmonise and enhance pan-European search facilities for financial information and to investigate the possible introduction of XBRL reporting’. Practically **CESR will conduct a cost-benefit analysis** on the use of XBRL. The analysis will consider a scenario under which there is a **5 year transitional period to**

² While the CEBS is the only formal supervisor who has adopted the IFRS taxonomy, a number of countries are in the evaluation process. It includes India, most Latin-American countries

introduce a mandatory requirement for issuers preparing consolidated financial statements using IFRS to file XBRL

The potential adoption of XBRL at CESR (to then be followed by XBRL adoption at the European Commission) would potentially impact the XBRL team's work in a number of ways:

1. To date, XBRL reporting has largely been limited to listed companies (securities regulation). The project proposed by CESR could **impact all companies** (including SMEs) and also banks and for different kinds of reporting.
2. This single project will **impact all 27 countries**. If both CESR and the Commission act as the central point of contact, relationships with all 27 countries will need to be established.
3. This will make **translations** a key issue.
4. The issue of **extensions** will become more prevalent due to local reporting requirements. One has already suggested that EFRAG could play a key role here.

2.3 US SEC

Under rule 33-9002 "Interactive Data to Improve Financial Reporting" from 15 June 2011 foreign private issuers (FPIs) who prepare their financial statements in US GAAP and IFRSs will be required to submit these filings in XBRL format. For the IFRSs, US SEC staff will make a recommendation to the Commission in September 2010 on whether or not the IFRS Taxonomy should be used for IFRS XBRL reporting to the SEC. A final decision is expected to be made by the Commission in December 2010.

In advance of this decision, and in order to assist FPIs with meeting the 15 June 2011 deadline, in April 2010 the IFRS Foundation issued a call for interest to foreign public companies listed in the US to take part in a **pilot initiative to prepare US SEC filings in IFRS using the IFRS Taxonomy 2010**. The Foundation has been working with approximately 15 respondents to map their 20-F filings to the IFRS Taxonomy 2010 and to prepare sample IFRS XBRL filings in accordance with US SEC requirements (ie in line with the EDGAR Filing Manual).

The outcome of this initiative can be summarised as follows:

1. The "standard approach" used by the IFRS Foundation when developing the IFRS Taxonomy is highly satisfactory ('meet the expectations') in representing concepts for explicit IFRS disclosures.
2. Many FPIs were required to create IFRS Taxonomy extensions to reflect common-practice³ concepts for their 20-F filings.

³ Common-practice concepts could be defined as concepts necessary to fulfill the requirement of IFRS principles, but not specifically listed in IFRS

3. In many cases, the concepts that were created by different FPIs had the same semantic meaning, although they were technically different.
4. The high number of extensions in these voluntary filings can be seen as a result of IFRS requirements, presentation and aggregation flexibility and need to be addressed in the context of common-practice disclosures.
5. A number of FPIs decided to introduce changes to improve their original 20-F filings following their work with the IFRS Taxonomy.

The outcome of the project has been shared with the US SEC staff during a face-to-face discussion on Thursday 9th September.

3 IFRS Taxonomy Extensions

Based on the findings from the pilot initiative, and after having discussed the issue at length with the XBRL Board Advisory, the XBRL team has started – for analytical purpose only – to **identify and list additional concepts** that are commonly used by preparers but that are not present in the IFRS Taxonomy (because they not present in IFRSs). A further update will be provided to the XBRL Board Advisory in November on the issue and whether there is a need for the XBRL team to further investigate ‘common practice’ concepts. A subsequent update will also be provided to the Trustees.

IFRS Taxonomy extensions are being developed around the world and it is critical that the XBRL team is in contact with these initiatives, in order to mitigate the widespread and inconsistent implementation of IFRSs with XBRL.

There is a solution that should mitigate the risk that IFRS Taxonomy extensions could be perceived as ‘official pronouncements’ of the IASB, which is to release these concepts in a separate taxonomy with a disclaimer clearly indicating that these concepts do not reflect IFRS principles. In terms of cost, the preliminary development will not require additional funding or budget. However, should additional funding be required, the XBRL team will submit to Trustees a detailed three-year budget.

4 Composition of the XBRL Advisory Council and XBRL Quality Review Team

As decided by the Trustees at their meeting in London in March 2010, the XBRL Team has undertaken the process of re-defining the composition of both committees from 1 January 2011:

1. An invitation letter was circulated to all current XAC and XQRT members to confirm their intention to either remain or step-down from the Committees. Both Chairmen have expressed their desire to renew their terms of service.
2. A call for new members was circulated on 18 June to recruit new members.

Based on the applications received, the XBRL team has prepared a recommendation to the Trustees for new members to both committees (please refer to the appendices). The XBRL team has been mindful of the need to maintain a broad geographical and professional balance of members.

Both CESR and EFRAG have applied for roles as observers – rather than members - of the XBRL Advisory Council, in order to have the flexibility of not having to nominate a specific individual as a representative. The XBRL Advisory Council already has five observers⁴, therefore the Chief Operation Officer and the XBRL team are of the opinion that granting both CESR and EFRAG the role of member (and not observer) with a specific individual as a ‘main representative’ would be the best option.

The XBRL team also appreciates that the increase in size of both committees will require some amendments to the working procedures and to how meetings are conducted. Such amendments will be discussed during the XAC and XQRT meetings on 6 and 7 October.

Decision 1: The Trustees are invited to approve the XBRL team’s recommendation for the new composition of both XBRL committees, the XBRL Advisory Council and the XBRL Quality Review Team.

⁴ The European Commission, the US Securities and Exchange Commission, the Financial Services Authority of Japan, XBRL International and the International Organization of Securities Commission

Appendix 1: XBRL Advisory Council composition after 31 December 2010

Key:

Blue cells = current members

Green cells = new members

Red entries = new representatives from current member organisation

XAC members	Accounting bodies & Academics	Vendors & Service Integrators	Issuers, Preparers and Stock Exchange	Regulator and Supervisors	Analysts and Data Aggregators	Accounting Firms	Observers
13+ 14	1+4	1+2	4+2	1+4	2+1	4+1	5
Europe 5+4	Dr Joanne Locke, University of Birmingham, UK	Sonja Simon, SAP	Thierry Nederland - Dexia Group, Belgium	Manuel Ortega - ECCBSO, Spain	Ralf Franck, EFFAS, Germany		European Commission, represented by Piotr Madziar
	Francoise Flores, EFRAG, Belgium		Rawden McMaster - London Stock Exchange, UK	CESR, France	Stefan Hofer, UBS		
				David Tyrall, BIS, UK			
US-Canada 2+4	Dennis Chookaszian, FASB, US	Liv Watson, WebFilings, US	Bob Laux - Microsoft Corporation, US				US SEC, represented by Jeff Naumann
		Aaron Anderson, IBM, US	Conrad Hewitt, Bank of West (former Chief Accountant SEC), US				
			Jon Stantial, UTC, US				
Rest of the world 1+3	Atsushi Takeda, JICPA, Japan		Freda Evans - Johannesburg SE, South Africa	Ying Wei, Ministry of Finance, China			Japan FSA, represented by Hiroshi Enomoto
				Greg Divall, SBR, Australia			
Any area 5+1					Chris Dreyer - CFA Institute	Gavin Marais, Deloitte, South Africa	XBRL International, represented by Tony Fragnito

XAC members	Accounting bodies & Academics	Vendors & Service Integrators	Issuers, Preparers and Stock Exchange	Regulator and Supervisors	Analysts and Data Aggregators	Accounting Firms	Observers
						Bruno Tesniere - PricewaterhouseCoopers, France	IOSCO, represented by Patrick Parent (AMF)
						David Littleford - KPMG, UK	
						Sean Callaghan, E&Y, Global	
						Jerome Huber, Mazar, France	
						XYZ, Grant Thornton	
						XYZ, BDO	

Appendix 2: XBRL Quality Review Team composition after 31 December 2010

Key:

Blue cells = current members

Green cells = new members

Red entries = new representatives from current member organisation

QRT members		Accounting Bodies / Academics	Vendors & Service Integrators	Issuers & Preparers	Banks & Other Financial Services	Regulators & Supervisors	Accounting Firms	Observers
12+13		3	3+4	1+1	1+1	3+1	3+4	3+2
Europe	5+5	László Bartók, AGN Int'l, Hungary	Michał Piechocki, Business Reporting – Advisory Group, Poland	Klaus Kretschik, ThyssenKrupp, Germany	Philippe Detrez, Dexia, Belgium	Victor Morilla, Bank of Spain, Spain		
			Roland Hommes, RHOCON, The Netherlands			Mark Creemers, National Bank of Belgium, Europe		
			Oliver Kuntke, Cundus, Germany			Clare Mangin, ECCBSO/Banque de France		
US-Canada	1+3	Louis Matherne, FASB, US	Lou Rahman, Merrill Corp, US					US SEC, represented by Walter Hamscher
			Scott Gaul, Microfinance Information eXchange, US					
Rest of the world	3+2	Sergio Quiroz, Chile	Makoto Koizumi, Fujitsu Research Institute, Japan		Thomas Egan, Standard Chartered Bank, Singapore	Ana Cristina Sepúlveda Palavecinos - Securities and Insurance of Chile		JFSA, represented by Hiroto Enomoto
			Yasushi Fujita, Oracle, Japan					
any area	3+4						Gavin Marais, Deloitte South Africa	XBRL International, represented by Hugh Wallis
							William Gee, PwC, China	

QRT members	Accounting Bodies / Academics	Vendors & Service Integrators	Issuers & Preparers	Banks & Other Financial Services	Regulators & Supervisors	Accounting Firms	Observers
						Robin Litjens, BDO	
						Kyle Lamb, E&Y	
						Jerome Huber, Mazar, France	
						KPMG?	
						GT?	