

International Financial Reporting Standards



The role of the XBRL Advisory Council

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The views expressed in this presentation are those of the presenter, not necessarily those of the IASB or IFRS Foundation.



1. When the development of the IFRS Taxonomy was moved back to the IFRS Foundation in 2007, it was clearly stated that the taxonomy development due process had to be as close as possible to the IFRS standard-setting one
2. The IFRS Foundation established two XBRL-related Advisory Bodies in 2008; the XBRL Advisory Council (XAC) and the XBRL Quality Review Team (XQRT)
3. The XAC has a strategic focus whereas the XQRT is more technically oriented
4. Other standard-setters that are engaged in taxonomy development have set up specialised advisory bodies
5. The IFRS taxonomy is now being adopted in 28 countries for 35 projects
6. While the XAC is referring to XBRL, there is a common understanding from members that the topic is not 'technology'-centric but focused on 'digital reporting'

Comparison between XAC and XQRT

	XBRL Advisory Council	XBRL Quality Review Team
Focus & Expertise	Vision & Strategy	Technical (XBRL & accounting)
Terms of reference	✓	✓
Members	23	19
<i>Including audit firms</i>	<i>Deloitte, E&Y, PwC, KPMG, Mazars</i>	<i>PwC, Mazars</i>
Observers	FSA of Japan, European Commission US SEC, IOSCO and XBRL Int'l	FSA of Japan and XBRL Int'l
Meetings	2 per year	2 per year
Teleconference	4 per year	8 per year

XAC composition

	Accounting bodies & academics	Vendors & service integrators	Issuers, preparers & banks	Regulators, supervisors & stock exchanges	Analysts & Data Aggregators	Accounting Firms	Observers
Asia-Oceania	Atsushi Takeda - Institute of Certified Public Accountants, Japan			Ying Wei - MOF, China			FSA, represented by Hirotoshi Enomoto
				Doug Niven – ASIC, Australia			
Europe	Françoise Flores - EFRAG, Belgium		Thierry Nederlandt - Dexia Group, Belgium	Manuel Ortega - ECCBSO/Bank of Spain, Spain	Chris Dreyer - CFA Institute, Switzerland		EC, represented by Piotr Madziar
	Saskia Slomp - EFRAG, Belgium			Frederiek Vermeulen - ESMA, France			
	Dr Joanne Locke – Open University Business School, Milton Keynes, UK		Sonja Simon - SAP AG, Germany	Marc van Hilvoorde – Dutch Standard Business Reporting, Netherlands			
North America	Dennis Chookaszian - FASAC, US	Aaron Anderson, Mastercard, US		Conrad Hewitt - Bank of the West, US			
				Bob Laux - Microsoft Corp, US			
Any Region						Sean Callaghan – E&Y, UK	IOSCO represented by Patrick Parent
						Jérôme Huber – Mazars, France	
						David Littleford - KPMG LLP, UK	XQRT Chair represented by Roland Hommes
						Bruno Tesnière (Chairman) – PWC, France	XBRL International represented by Liv Watson
David van den Ende, Deloitte, Netherlands							

XQRT composition

	Accounting bodies & academics	Vendors & service integrators	Issuers, preparers & banks	Regulators, supervisors & stock exchanges	Accounting firms	Observers
Asia-Oceania		Yasushi Fujita , Oracle Corporation Japan, <i>Japan</i>	Thomas Egan , Standard Chartered Bank, <i>Singapore</i>		William Gee , Pricewaterhouse Coopers, <i>China</i>	FSA, Government of Japan – represented by Hirotohi Enomoto , <i>Japan</i>
		Makoto Koizumi , Mercury and Earth KK, <i>Japan</i>				
Europe	László Bartók , CONSULTATIO Kft., <i>Hungary</i>	Peter Calvert , XBRL UK Ltd, <i>United Kingdom</i>	Dr Klaus Kretschik , ThyssenKrupp AG, <i>Germany</i>	Mark Creemers , National Bank of Belgium, <i>Belgium</i>	Jérôme Huber , Mazars, <i>France</i>	
		Roland Hommes [Chairman] - RHOCON, <i>Netherlands</i>		Claire Mangin Soubret , Bank of France, <i>France</i>		
		Nils Müller , cundus AG, <i>Germany</i>		Victor Morilla , Bank of Spain, <i>Spain</i>		
		Michal Piechocki , Business Reporting Advisory Group, <i>Poland</i>				
Latin America		Sergio Quiroz , Oracle Chile, <i>Chile</i>		Ana Cristina Sepúlveda Palavecinos , SVS, <i>Chile</i>		
North America	J. Louis Matherne , Financial Accounting Standards Board, <i>United States</i>	Lou Rohman , Merrill Corporation, <i>United States</i>		Krishna Yendluri , Microfinance Information eXchange, <i>United States</i>		XBRL International, represented by Hugh Wallis , <i>United States</i>

Objectives of the XQRT

1. Provides technical guidance to the IASB XBRL team. Its members have expert taxonomy development knowledge from either a content (accounting) or technology (XBRL/data modelling)-related perspective.
2. Independent quality sign-off of the IFRS Taxonomy prior to public consultation.
3. The XQRT also provides the IASB XBRL team with general practical implementation guidance on specific areas, such as for example the impact of new XBRL standards, how to technically best implement references to IFRSs or show changes between taxonomies.
4. None of the XQRT roles would be expected to be carried out in the IFRS Advisory Council and the integration of XBRL into the standard-setting process is not expected to have a significant impact.

IFRS Advisory Council

- 1. To give advice** to the IASB on a range of issues.
It includes but is not limited to:
 - Agenda, priorities and work plan of the IASB
 - Specific projects
 - Activities of the council
- 2. To support** the IASB in promoting and adoption of IFRSs throughout the world.

XBRL Advisory Council

- 1. To give advice** to the Foundation XBRL activities and taxonomy development such as:
 - Strategic plan, priorities and workplan of the XBRL team
 - Specific projects
 - IFRS taxonomy architecture
- 2. To support** the XBRL team in adoption and implementation of the taxonomy throughout the world.

Comparison between IFRS AC & XAC – 2

IFRS Advisory Council

- Appointed by Trustees
- The Council is composed of individuals, or representatives of organisations, interested in *the development of high quality IFRSs*.
- The membership provides for a broad geographical spread and a range of functional backgrounds that include members drawn from user groups, preparers, financial analysts, academics, **auditors**, regulators and professional accounting bodies.

XBRL Advisory Council

- Appointed by Trustees
- The XAC is composed of individuals, or representatives of organisations, interested in *the development of high quality IFRS taxonomies*.
- The membership provides for a broad geographical spread and a range of functional backgrounds that include members drawn from preparers and issuers, financial analysts, **software vendors**, supervisors and regulators, academics, retail investors and professional accounting bodies.

IFRS Advisory Council

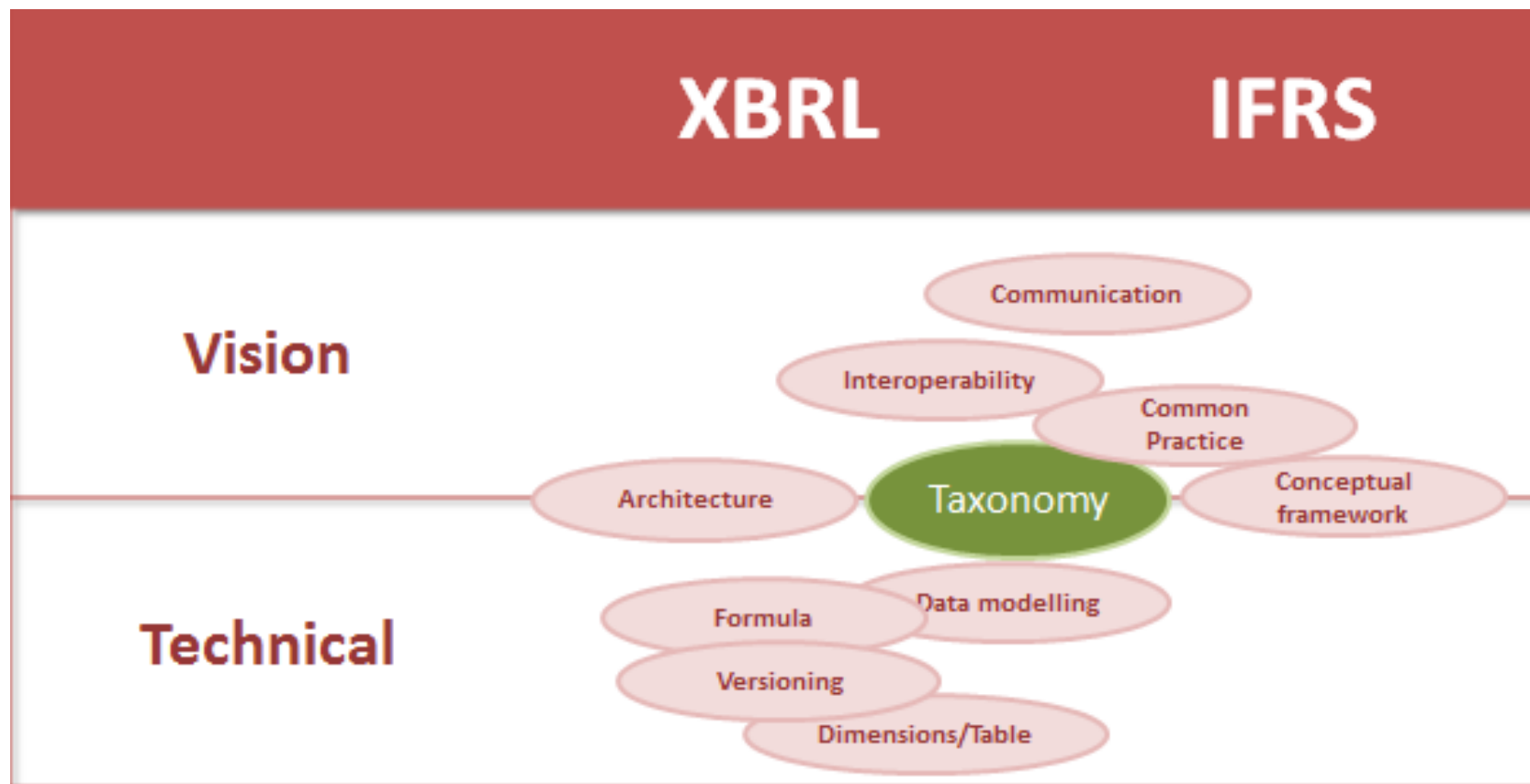
- In addition, certain international organisations may be granted permanent seats on the Council by the Trustees. Official observer status may also be granted by the Trustees to other bodies and organisations that are influential in the global financial community.
- Members are appointed for an initial term of three years, and may be asked to remain for a further period of up to three years. A maximum period of service of six years is permitted.

XBRL Advisory Council

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1. Some discussions about the self-assessment have been conducted in March 2013. A more detailed one is due by October 2013
2. Main considerations included
 1. Primary objective has been achieved – the IFRS Taxonomy can be considered a stable and mature product
 2. The XAC recommended closer integration of standard-setting and XBRL activities – this is now being implemented
 3. But other challenges remain, to name a few
 1. Adoption by securities regulators and users
 2. Taxonomy interoperability and consistent implementation
 3. Engagement of the IASB
 4. XAC is in favour of closer interaction with the IFRS Advisory Council – but composition should reflect right skill set
 5. XAC recommended the IASB XBRL team to list areas for which further taxonomy guidance is sought and how this overlaps with IFRSs. This will be discussed during the October face-to-face meeting

Future trends and interaction between XBRL and IFRS



Other considerations & questions

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- Expertise has been acknowledged, is required and should be retained
- With some exceptions, most XAC members were appointed at the inception of both bodies in 2008, their second 3-year terms will expire at the end of December 2013
- Questions
 - Does the growing adoption of digital reporting by securities regulators and other supervisors (banking, insurance...) affect the role and composition of the Council?
 - Should the XBRL Advisory Council and the IFRS Advisory Council be merged?
 - Are there other trends and developments that might significantly impact the role and composition of the Council?

