Digital Future: Data

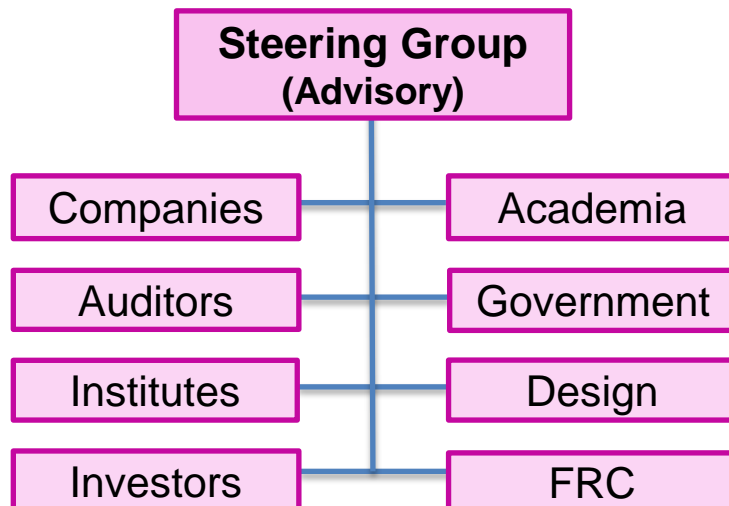CMAC meeting –Q3 2016

Agenda

- The Lab
- The Project
- Digital: Present
- Digital Future: Data
    - What we want to achieve
    - What we have learned so far
    - Discussion of attributes
- What's next

The Lab

*"To promote **market innovation** in corporate reporting through publication of influential, evidence-based research, presenting practical and pragmatic solutions developed with companies and the **investment community**, addressing their issues."*

Market driven: helping market participants innovate and improve

Steering Group (Advisory)

Companies	Academia
Auditors	Government
Institutes	Design
Investors	FRC

Project participation from over:

- 70 companies;
- 100 investment professionals; and
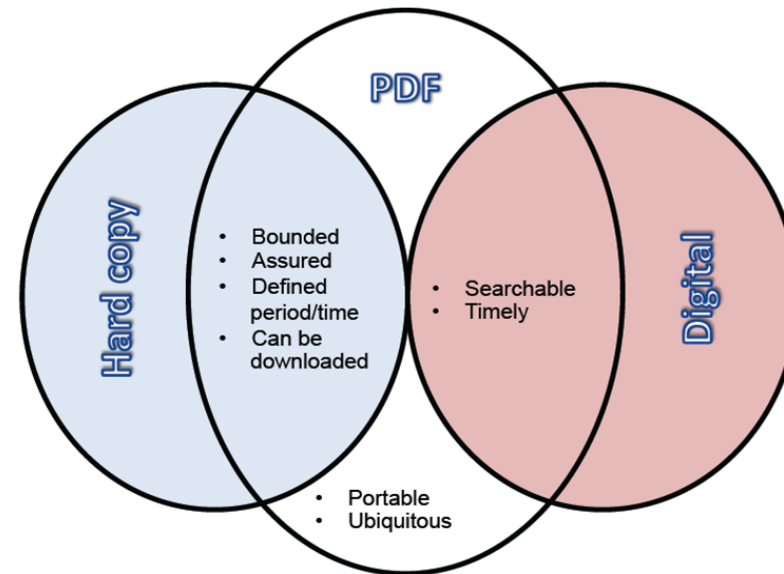- 300 retail investors.

13 reports published since launching the Lab in late 2011.

The Project

- In 2013 the FRC launched a long term project considering how technology impacts the production, delivery and consumption of corporate reporting.

- The project was designed to mix short term practical suggestions with longer term policy influencing thought.

- This reflected our concern that preparers of information and the ultimate consumers of that information were not always fully reflected in the debate.

What we learned – Digital Present

- Many mediums designed to communicate with investors did not have a high take up.

- PDF annual report was the most popular because it mixes paper and digital.

- Digital inertia is strong for both companies and investors.

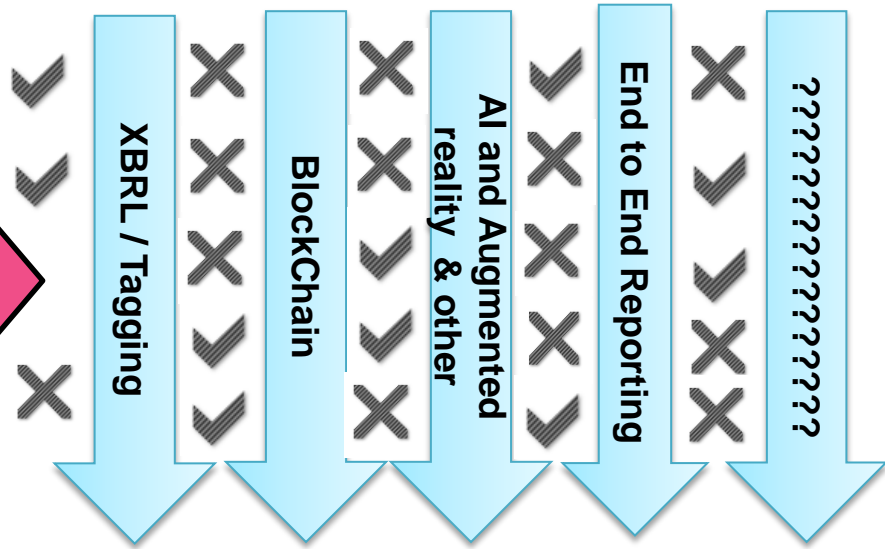- New technology will be adopted when it provides more benefits than the current system.

PDF

Hard copy
- Bounded
- Assured
- Defined period/time
- Can be downloaded

- Searchable
- Timely

Digital

- Portable
- Ubiquitous

Investors desired attributes represented by PDF annual reports

Digital Future – What we want to achieve

Technology and technology enabled trends

Scope

Principally for investors

Delivered electronically

Prepared by companies

Combined attributes important for corporate reporting delivered digitally

XBRL / Tagging

BlockChain

AI and Augmented reality & other

End to End Reporting

????????????????

Tech and other expert roundtables

Select company / investor interviews

Digital Future – What we have learned

What attributes will be most important for investors in the future?

Digital Future – What we have learned

What attributes will be most important for preparers in the future?

	Investors think	Preparers think	Advisors and auditors think
1st	Assured	Timely	Timely
2nd	Timely	Multi Format Compatible	Assured
3rd	Multi Format Compatible	Cheap to produce	Accessible

Digital Future – What we have learned

Which technologies will be important for the future of corporate reporting?

	Companies	Investors	Others
1st	Video	Augmented reality	Augmented reality
2nd	Website	Websites	Big data
3rd	Open data	Open data	Open data
4th	Big Data	Video	Video
5th	XBRL	Big Data	Websites
6th	Augmented reality	XBRL	XBRL
7th	Blockchain	Blockchain	Blockchain

Digital Future – What we have learned

- Technology is exacerbating the tension between standardisation and story telling

- Data technologies potentially break the link to context

- Data quality and assurance are crucial

- There is a risk that regulatory drivers becomes focused at the wrong points in the cycle

Attributes

Attributes important to investors

Searchable

Timely

11:00

Freely available

Downloadable into models

Assured

Easy to access

Portable

Boundary

Consistent

Attributes important to preparers

Easy to produce

easy

Timely

11:00

Integrates

Cheap to produce

Assurable

Easy to access

Time period

Multi reporting

Compatible

What is next

- Finishing interviews and round tables
- Finalising the framework of attributes with a view of publishing by year-end
- Moving-on to focus more in-depth on each technology in the new year
- Overall tech papers next year with a final concluding paper drawing out all conclusions.