



## Attachment to AUASB Board Meeting Summary Paper

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### AGENDA ITEM NO. 10.1

**Meeting Date:** 12 September 2011  
**Subject:** XBRL Update  
**Prepared By:** AUASB Technical Group  
**Date:** 18 August 2011

### ATTACHMENT 1

#### Standard Business Reporting (SBR)

SBR went live in Australia on 1 July 2010. Adoption of SBR by business is voluntary.

The aim of SBR in Australia is to reduce the burden of business to government reporting. The SBR Program is led by The Treasury in collaboration with the:

- Australian Tax Office (ATO)
- Australian Securities and Investments Commission (ASIC)
- Australian Prudential Regulation Authority (APRA)
- State and Territory Revenue Offices (8 in total)
- Australian Bureau of Statistics (ABS) (taxonomy only).

SBR provides:

- a single national taxonomy (or reporting language) for reporting to government written in XBRL 2.1 where concepts (or data elements) between government agencies have been “harmonised”
- the capability for electronic lodgement from business accounting software direct to government
- a secure single sign-on credential (AUSkey) to all agencies in its scope.

SBR supports a number of government forms and relies on software developers to enable the SBR solution in their packages, for use by businesses and their representatives, e.g. accountants.

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Software developers are progressively SBR-enabling accounting software packages and some industry or business-specific financial management systems. The *SBR Registered Software Products Register* currently lists ten software providers with SBR-enabled products. (see Agenda Item 10.2). This list demonstrates that the initial focus of the SBR program has been on reporting to the ATO, State Revenue Offices and APRA.

There are currently no reported numbers on the uptake of SBR in Australia. Uptake is expected to increase as more software products become available.

It has been reported that as at December 2010, 255,000 AUSkeys had been issued to around 160,000 Australian businesses.

## **XBRL International**

XBRL International is comprised of jurisdictions which represent countries, regions or international bodies and which focus on the progress of XBRL in their area.

There are currently 23 established jurisdictions, including XBRL Australia.

Jurisdictions promote XBRL and organise or sponsor the creation of taxonomies, notably for the main accounting standards for business reporting in their area. They provide an important education and marketing role, explaining the benefits of XBRL to government and private organisations and supporting implementation of XBRL. Jurisdictions act as the first point of contact for organisations seeking information or help on using XBRL.

## **XBRL Australia**

XBRL Australia is a jurisdiction of XBRL International. To an extent, XBRL Australia has become less active as the Australian Government SBR Program (within The Treasury) has taken the leading role in the implementation of SBR / XBRL in Australia.

XBRL Australia continues, albeit in a less active form, and offers three levels of membership:

- (i) **Sponsor.** This category of membership provides access to all XBRL International and local member resources. For example, sponsors can join the Assurance Working Group of XBRL International, through XBRL Australia, or simply access the meeting papers of this group. Sponsors can nominate a representative of to the XBRL Advisory Board and attend and be heard at XBRL Australia Board meeting. Sponsors are the ICAA, CPA Australia, PwC, EY, ATO and Fujitsu.
- (ii) **Ordinary.** This category of membership provides access to all XBRL International and local member resources. Ordinary members are KPMG, Pitcher Partners, Task Technology, INMAN, Grant Thornton, Dun & Bradstreet, Norwich Research, Batavia Business Reporting, APRA, and IBM Australia.
- (iii) **Academic.** This category of membership is only open to full time academics. Academic members are Christine Jubb, ANU and Maurice Peat, University of Sydney.

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The AUASB could join XBRL Australia (for a modest membership fee), which would provide access to all parts of the XBRL Australia and XBRL International websites, including access to all papers and online discussions of the Assurance Working Group.

### **SBR Program in Australia**

To an extent, the SBR Program (in Treasury) has taken over the work of XBRL Australia, for example, in providing information and training on XBRL.

### **AASB**

The AASB reviews extensions made to the Australian financial reporting taxonomy by ASIC (see below) and certifies them as complying with Australian reporting requirements.

### **ASIC**

ASIC is the custodian for the financial reporting taxonomy in Australia. Essentially, the Australian taxonomy is the IASB IFRS taxonomy with extensions specific to the Australian reporting environment (extended IFRS taxonomy).

Currently, the only ASIC form that has been SBR-enabled is Form 388 (Copy of Financial Statements and Reports). Financial reports that are required as attachments to the Form 388 can be lodged with ASIC in two formats:

- (i) PDF format; and
- (ii) XBRL format.

The PDF format reports are mandatory; the XBRL format is an optional addition to the PDF lodgement. Based on the US experience, it is unlikely that a large number of reporting entities will choose to lodge reports in XBRL format when this is not mandated.

Staff of the AUASB will attend future meetings of the ASIC working group on XBRL/SBR.

### **APRA**

APRA was the first Australian entity to adopt XBRL reporting (APRA taxonomy XBRL 2.0) in 2002. On 1 July 2011, APRA introduced SBR taxonomy XBRL 2.1, which replaces the APRA taxonomy. The new SBR taxonomy covers all of APRA's forms (around 400). Support will continue to be provided for the APRA taxonomy until 2013/14 to enable APRA reporters to transition to the new taxonomy.

### **ASX**

The ASX has not been actively involved in implementing XBRL/SBR until now. It is understood there has been some recent interest by the ASX.

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## **International**

### **(a) United States**

All listed companies must now file financial reports in XBRL format, in addition to the traditional HTML/ASC11 versions. The SEC mandate was introduced in stages, as follows:

- (i) 15 June 2009      largest accelerated filers with public floats greater than \$5bn (500 companies) required to file financial reports in XBRL format for reporting periods ending on or after this date
- (ii) 15 June 2010     Remaining large accelerated filers (about 1,700 companies) for reporting periods ending on or after this date
- (iii) 15 June 2011    All remaining listed companies (8,000 – 9,000 companies) for reporting periods ending on or after this date

Prior to the staged implementation of mandated XBRL reporting, only around 20 larger companies implemented XBRL on a voluntary basis.

*The SEC XBRL Mandate Everything you need to know* issued by PR Newswire provides some insights into the US experience of adopting XBRL (Agenda Item xx). Some of the key points are:

- (i) Most companies are outsourcing the XBRL tagging of financial reports, rather than doing the tagging in-house.
- (ii) Since extra time is needed to complete outsourced XBRL tagging, the actual financial reporting information must be ready at least 48 hours earlier than in the past. Although auditors only audit the HTML financial report, they need to be aware of the compressed timelines.
- (iii) The tagging process is largely a once-off, up-front investment of time and other resources and subsequent filings in XBRL format are significantly easier and quicker than the first filing.
- (iv) Common errors in tagging include inputting a negative value instead of a positive value; creating unnecessary extensions to the taxonomy and selecting tags that are too narrow or too broad.

### **(b) The UK**

From 1 April 2011 it has been mandatory to file company tax returns (CT600s), corporation tax computations and financial statements with HM Revenue and Customs (HMRC) in iXBRL format. This applies to companies, charities where relevant, and other organisations which are required to submit a company tax return (CT600) for year-ends after 31 March 2010.

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## (c) Europe

Europe has led the way in implementing XBRL. Some recent developments include:

### Belgium

In a public statement issued on 22 June, the Belgian Deputy Prime Minister and Minister for Finance outlined the benefits that have been reaped by the Belgian government and business community from the implementation of XBRL at the National Bank of Belgium (NBB) since 2004. In 2010 it was calculated that the use of XBRL at the NBB has resulted in a 35 per cent reduction in filing fees for SMEs, and a €17.3 million reduction in annual administrative burden. Furthermore the use of XBRL is estimated to have reduced the cost of regulatory annual maintenance by a third.

### Denmark

On 7 April, the Danish Parliament adopted legislation to allow the Danish Commerce and Companies Agency (DCCA) to establish rules for the mandatory use of XBRL by companies to submit their annual and group accounts. Small limited companies will be the first filers and will be required to submit XBRL-format annual reports for fiscal periods ending from 31 January 2012. Medium to large companies and state-owned companies will be required to do the same for fiscal periods ending from 31 July 2012 and 31 August 2013 respectively. Digital annual reports will be required in both PDF and XBRL format. Companies will be able to generate both formats either by using the DCCA's Accounting Basic system, or using their own XBRL software tool or the services of an accountant or auditor with appropriate software tools.

### Netherlands

On 30 May, the Dutch Minister of Economic Affairs, Agriculture and Innovation and the State Secretary of Finance announced plans to use Standard Business Reporting (SBR) exclusively for all tax reports submitted to the government. From 1 January 2013 all Income Tax and Corporation Tax submissions will be made through SBR. Over the coming years, the use of SBR will be expanded to include the delivery of other tax reports, as well as statistics to the Central Statistics Agency and annual reports to the Dutch Chamber of Commerce.

### XBRL for European insurance reporting

The European Insurance and Occupation Pensions Authority-part of the European System of Financial Supervision-has chosen to adopt XBRL as the unified format for Solvency II insurance reporting across Europe. Solvency II is a fundamental review of the capital adequacy regime for the European insurance industry and aims to establish a revised set of European capital requirements and risk management standards. In doing so, Solvency II is intended to improve the integration of the internal market, to enhance policyholder protection, to improve the international competitiveness of European insurers and to improve regulation.

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## Other

The Global Reporting initiative (GRI)-which produces the GRI framework for sustainability reporting-is planning the development of an XBRL taxonomy to support the widespread and automated transmission of sustainability data. The taxonomy will cover both the G3 and G3.1 Guidelines, thereby helping organisations to improve the quality and integrity of their sustainability performance data, which will in turn help users of this data to access and analyse the data with greater speed and ease.

## Recent Publications

- June 2011      The Assurance Task Force, American Institute of Certified Public Accountants (AICPA) issued an exposure draft *Proposed Principles and Criteria for XBRL-Formatted Information*. Comment are requested by 15 July 2011
- June 2011      The ISACA, an international IT organisation specialising in information and guidance on auditing controls for computer systems, and the International Federation of Accountants (IFAC)'s professional Accountants in Business (PAIB) Committee issued a paper *Leveraging XBRL for Value in Organisations*.
- May 2011      PR Newswire issued a White paper, *The SEC XBRL Mandate Everything you need to know*.

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