

Lessons learned

Among the issues faced by the NBB was the need to persuade accounting organisations and software companies to accept and collaborate on the introduction of XBRL and accompanying changes in processes. The NBB's formation of working groups with accountants and developers, coupled with patient explanation and the provision of clear information on XBRL and its implementation, were critical in obtaining cooperation from these groups.

Easy rendering of XBRL data into human-readable form also emerged as a key requirement of the project. The NBB wanted to receive data only in XBRL, not accompanied by separate human-readable files. It thus invested significant effort in developing a solution for rendering XBRL data into the fixed format for accounts determined by Belgian law.

The NBB found that it was not practical to introduce advanced validation checks without a Formula Specification from XBRL International, which was still under development as the NBB was carrying through its project. The IT team of the NBB developed the XML, XBRL and other validation checks being used by the bank.

Success factors

Among the factors which helped the NBB successfully take its project to its current advanced stage were:

- Creation of working groups with accountants and software vendors to inform and win collaboration on XBRL.
- Provision of an online system for filing accounts in XBRL which gives companies an easy alternative for submitting their data in the required format.
- The fact that accounts filed under Belgian GAAP have a fixed format, avoiding the need for company-specific extension taxonomies and providing the basis for a rendering solution.

Next steps

The NBB project will go through a final stage of testing in late 2006 and early 2007 before filing of annual accounts goes live in April 2007. Future stages to expand and strengthen the use of XBRL in Belgium are expected to include:

- *Expansion of XBRL filing to financial companies and to listed companies reporting under IFRS*

This will involve the introduction of new taxonomies for these companies' financial statements. It may also involve the upgrade of systems and processes to enable large companies to create extension taxonomies which cover their specific data requirements.

- *Introduction of advanced validation based on formulas*

Advanced validation of data using formulas based on business rules will be introduced following the release of a Formula Specification by XBRL International.

- *Collection of company statistics using XBRL*

The Directorate-General of Statistics and Economic Information (DSEI) is planning to convert an annual survey on company activity, employment, and investments to XBRL. Data will be collected online using a taxonomy based on the NBB taxonomy. The aim is to reduce the administrative burden on companies.

- *Introduction of XBRL for Belgian bank regulatory reporting*

Belgium is cooperating in the FINREP project to introduce XBRL for the reporting of prudential financial information by banks, which is required under new European Union guidelines. Initial filing began in June 2006 using a first version of the FINREP taxonomy, adapted to handle Belgian bank regulatory reporting.

Conclusion

The Belgian National Bank project has successfully laid the basis for mass filing of annual reports in XBRL by Belgian companies. It also provides valuable experience for the future expansion in the use of XBRL, including for listed companies reporting under IFRS and statistics.



XBRL CASE STUDIES: SHOWING XBRL IN USE

The National Bank of Belgium

Filing of accounts by Belgian companies to the National Bank of Belgium, which is responsible for collecting financial statements from the nation's firms, will switch to XBRL from April 2007. Some 295,000 commercial and industrial companies are due to start filing in XBRL from that date. The Bank's project to introduce XBRL has finished its development phase, leaving only details and final testing to be completed before launch.

Key features of the NBB's use of XBRL

- **The NBB is responsible for collecting annual financial statements from Belgian companies, publishing them and calculating and distributing statistics based on this information.**
- **About 295,000 commercial and industrial companies currently submit accounts under Belgian GAAP accounting principles. They use a mixture of paper accounts and electronic delivery on disc and over the internet. The accounts are filed in a fixed layout set by law.**
- **The NBB decided to switch to XBRL for this information in order to create a more efficient and flexible filing process, simplify maintenance and obtain data in a standard format which is ready for reporting under International Financial Reporting Standards (IFRS).**
- **The NBB developed an XBRL taxonomy to cover the data in these accounts which contains some 1,500 financial variables and other definitions. It finalised the taxonomy in January 2006 after stages of feedback, analysis and revision.**
- **As well as providing financial reporting software companies with information to help them adapt their products to produce XBRL data, the NBB has developed its own system to enable firms to input or upload their financial data via the Internet.**
- **It also developed a system for rendering data filed in XBRL into human readable form for publication in PDF format, in order to comply with Belgian law. It created a set of rules for rendering, based on the fixed layout of accounts, which is partly encoded in the taxonomy and drives the rendering process.**
- **Software companies are due to carry out test filing in the last months of 2006 with large scale tests in early 2007 prior to live use.**

Main results and next steps

- **Belgian commercial and industrial companies will switch to filing annual accounts in XBRL using the NBB system from April 2007. Large not-for-profit organisations will follow from April 2008, using an XBRL taxonomy that will be developed in 2007.**
- **The system does not handle reporting by banks and insurance companies and some 160 listed companies which file under International Financial Reporting Standards (IFRS). These will be covered in a future phase of the NBB project.**
- **Projects are under way to introduce XBRL in other areas of Belgian business reporting. One involves the annual collection of company statistics. The plan is to collect this data online using a taxonomy based on the NBB taxonomy.**

For more information on eXtensible Business Reporting Language (XBRL) and for case studies on other major XBRL projects, see the XBRL International website at www.xbrl.org/CaseStudies.

CONTACTS

Further information on the NBB's plans for XBRL is available via e-mail from xbrl.be@nbb.be.

Alternatively, for general information on XBRL and XBRL projects around the world, please contact info@xbrl.org.

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The background

The National Bank of Belgium (NBB) is responsible for gathering and disseminating the annual accounts of Belgian companies. It is also charged with drawing up statistics based on those statements.

It collects some 320,000 accounts from 295,000 non-financial companies each year. As of 2006, prior to the introduction of XBRL, some 85 per cent of these were filed electronically and the remainder on paper. Although most of these were delivered on floppy disc, the use of the Internet had begun to grow rapidly. All accounts delivered electronically were in text file format. These files consist of structured records which provide standardised information for statistical use inside and outside the NBB.

All individual annual accounts are based on Belgian GAAP accounting regulations and are filed in a standard format fixed by law. Some 160 listed companies have to follow International Financial Reporting Standards (IFRS) for their consolidated accounts.

The NBB applied some basic validation checks to the data filed electronically, scanned accounts filed on paper, and

The implementation process

After determining the goals and general plans for a new XBRL filing process, the NBB's first main action was to develop an XBRL taxonomy to categorise the data filed in company accounts under Belgian GAAP.

It presented a draft taxonomy to the Belgian XBRL jurisdiction in March 2005 for review and comment on possible improvements. After several months of feedback and analysis, the NBB made a number of revisions, publishing the final version in January 2006.

The taxonomy, created in several modules or building blocks, covers both full and abbreviated versions of accounts of non-financial companies filing under Belgian GAAP. It defines about 1,500 financial variables and lists another 2,800 specific data items which companies may report, such as their industry sector. It is provided in four languages, Dutch, French, English and German, and is published via the NBB XBRL website at www.xbrl.be.

The NBB also published other information to help users understand the taxonomy, including sample Belgian company reports created in XBRL, a viewer created by

The NBB created validation software to make automated arithmetical and logical checks on the data received via its direct entry system. Data which is being submitted via private software has to be validated either by submitting company or through tests in the software itself.

As part of the introduction of XBRL, the NBB also required some detailed changes in the standard formatting of accounts to ensure these could be represented unambiguously and clearly in electronic format. After discussing the changes with interested parties, including accounting bodies, experts drafted legal amendments to be submitted before the end of 2006.

The other major development work carried out by the NBB was on the **rendering** of XBRL data into human readable form for viewing and publication in PDF format.

It developed a set of rules which determined how account data in XBRL should be rendered, based on the fixed layout set by law for Belgian accounts. These rules were then partly encoded within the taxonomy and partly in separate XML files, so they can drive rendering software. This rendering process can handle different languages and can be upgraded relatively quickly and easily if the taxonomy changes to reflect changes in reporting regulations.

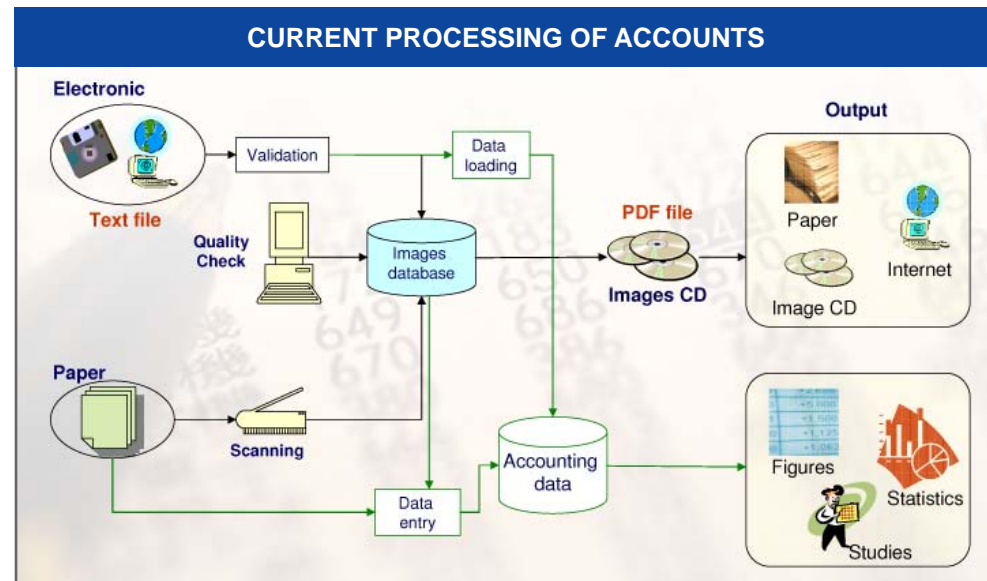
XBRL filing process

The new NBB system for the filing of accounts by the 295,000 commercial and industrial companies which report under Belgian GAAP will go live in April 2007.

It is not yet known what proportion of companies will use the direct entry system provided by the NBB as compared with accounts preparation software from software companies. The system, however, has been designed to make the transition as smooth as possible for companies, which will be able to provide data by software or direct upload without being aware of the underlying technical XBRL infrastructure.

Depending on which software they use, submitting companies may be able automatically to validate their data prior to submission. The NBB validation process checks submissions for technical correctness and arithmetical consistency based on rules determined by the CBSO. It will warn users of errors.

Companies will be allowed to file their accounts on paper instead of in XBRL but will then have to pay higher filing fees.



stored all in an images database for distribution as PDF. Data was also entered through a manually supported process into a database for analysis and production of statistics.

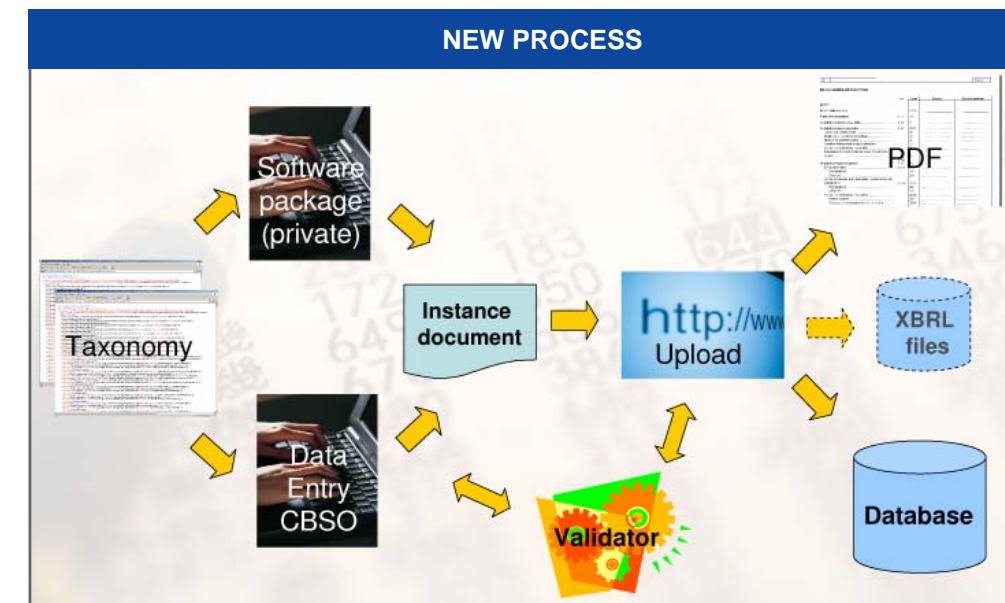
Among disadvantages with the process were that it relied on a mixture of mechanisms, including cumbersome scanning, and it did not provide data in a standard format for easy exchange with other systems and regulators.

The NBB decided in 2004 to adopt XBRL in order to:

- ◆ Create an efficient, flexible and scalable filing process, which in due course could be used for IFRS as well as Belgian GAAP reporting.
- ◆ Simplify maintenance and support.
- ◆ Create data in a standard format to enable easy exchange and efficient analysis.

DecisionSoft which provides a user-friendly view of the taxonomy, and other technical guidance.

While developing the taxonomy, the NBB began work to adapt the processes for filing and handling XBRL data. As well as providing software vendors with information necessary to adapt their products to file in XBRL, it also developed its own web-based system to allow firms to input or upload their financial data via the Internet. This system creates files in XBRL and provides an alternative to private software. The aim was to ensure companies could make an easy and transparent move from current practices to filing in XBRL.



Software companies were due to carry out test filing to the new system in the last months of 2006 with large scale tests scheduled in early 2007.

The NBB XBRL project is led by the Central Balance Sheet Office (CBSO), the department responsible for handling company annual accounts and providing a range of statistics based on them. In carrying forward the project, the CBSO formed two working groups with private industry, one with accountants which focussed on conceptual issues and one with software companies which concentrated on technical issues.

CBSO staff developed the taxonomy and the NBB funded all internal development, using Fujitsu for taxonomy development tools and DecisionSoft for visualisation systems.

As well as publishing the automatically rendered accounts, the CBSO will load accounting data in a database in order to calculate statistics.

This first phase of XBRL filing will only cover companies with 'standardized' accounts of non-financial companies. A next phase in 2008 will cover standardised accounts from not-for-profit organisations using a taxonomy due to be developed in 2007.

Belgian GAAP is subject to regular change and it will be necessary to update the GAAP taxonomy each year. Standard means of communicating differences between versions is an important issue to be solved before 2008.