

Canadian XBRL Perspectives

From XBRL Canada

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Up-to-date News and Information on XBRL as it affects Canada

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SECTION 1 WELCOME

By Geoff Zakaib, Chair of XBRL Canada

Thanks for reading this first edition of Canadian Perspectives issued by XBRL Canada. The purpose of this newsletter is to keep you informed about the rapidly changing world of XBRL and to place developments in the Canadian context.

Although it is just over 10 years old, XBRL has emerged as a standard that is having a huge impact on business reporting in many countries across the globe. XBRL has been widely adopted for regulatory and financial reporting. For example, the Securities and Exchange Commission in the United States is in its third year of a phased-in program that will see thousands of companies reporting financial information using the XBRL standard. Exciting developments are also taking place worldwide with XBRL being used for a variety of purposes such as business intelligence, integration of information from enterprise systems and non-financial sustainability reporting.

The implementation of XBRL in Canada is not as mature as in some other countries. The opportunities are certainly present but issues such as the transition to IFRS and dealing with the recession have been higher priorities over the last few years. Now the timing is right for Canada to catch up and to take its place among the leaders in capturing the business value that can be derived from XBRL. Whether it be for breaking down the silos of government reporting or revamping the SEDAR system there are enormous opportunities in Canada for increased efficiency and effectiveness that can result from leveraging XBRL in business reporting processes.

We at XBRL Canada hope this newsletter will be your window on the exciting world of XBRL. We look forward to your comments and contribution of articles for future issues. Ultimately we hope to engage you as an active participant as we work together to ensure that XBRL reaches its full potential in Canada.

SECTION 2 THE RED TAPE REDUCTION COMMISSION

By Gerald Trites, FCA

On January 13, 2011, the federal Government announced the creation of the Red Tape Commission, first put forward in the Federal Budget last year. During the past few weeks, members of the commission have been travelling Canada, seeking submissions and other input from Canadian Organizations and companies on ways to reduce the reporting burden on Canadian businesses.

On January 31, The CICA, After being approached for its views by the Commission, presented three ideas for reducing the burden of red tape, one of which was the idea of adopting XBRL for government filings in a form that has become known as Standard Business Reporting (SBR).

Canadian businesses must file with numerous government departments and agencies. Often they need to report the same data several different times requiring them to assemble and present those data each time they file, usually in different formats. Every year, according to the Canadian Federation of Independent Business, Canadian Business spends over \$30 Billion on compliance with government laws and regulations. Based on the experience in other countries, especially Australia and The Netherlands, savings could be achieved of as much as \$1 billion annually simply by standardizing the data fields required to be filed such that businesses would only need to compile particular data once in a standardized format and then use that format for all of their filings. Later in February, XBRL Canada will be filing a submission before the Commission. Anyone with views on adopting SBR in Canada is invited to share them with us and help to provide input for the submission.

SECTION 3 INTEGRATING SUSTAINABILITY REPORTING FRAMEWORKS AND FINANCIAL REPORTING INTO ONE REPORT WITH XBRL

By Liv Watson and Brad Montario

CSR Insight's 2010 Trends in Sustainability indicates that the XBRL standard can be used to weave both financial and non-financial information - i.e., environmental, social and governance (ESG) and sustainability data - into one integrated report and imbue that information with the power of an underlying structure to make it easily discoverable, reusable, consistent and reliable across geographies, currencies, markets and industry sectors. With XBRL already being used by millions of companies in North America, Asia, Latin America, South Africa, and Europe to report financial information to regulators, investors, analysts and others, it has been established as the de facto electronic standard for financial reporting. XBRL is the logical choice for supplementary data sets such as ESG/sustainability information and the only logical choice to achieve usable integrated reporting that can be easily discoverable, reusable, consistent and reliable across geographies, currencies, markets and industry sectors.

Using the XBRL standard, ESG/sustainability data would be tagged according to an ESG XBRL taxonomy so that it can be easily understood and processed by computers (i.e., it is 'machine-readable') and pass it seamlessly between enabled applications. These tags are like barcodes giving relevant information about each piece of data. The tags describe each ESG data element with human readable and machine understandable labels, its relationship with other data as well as the reference to the relevant ESG frameworks. This makes XBRL

data highly intelligent and interactive. Once ESG and financial disclosure information is tagged into one integrated report, everyone along the information supply chain - investors, creditors, analysts, stock exchanges, auditors, regulators, policymakers and others - can quickly, accurately, easily and inexpensively access, validate, compare, analyze, and manipulate information from any number of companies.

As the world's markets become more knowledgeable about environmental, social and governance (ESG) practices and metrics that are used to assess an organization's overall sustainability, the linking of certain 'vocabularies' governing those practices and metrics becomes more important. This need for linking them together drives the search for a unifying standard that systematically brings order to all of the ESG and sustainability vocabularies that exist around the world today

SECTION 4 IFRS-XBRL HAPPENINGS

The IFRS Foundation recently published for public comment an exposure draft of the IFRS Taxonomy 2011. The proposed taxonomy is consistent with IFRSs (International Financial Reporting Standards), including IASs (International Accounting Standards) and the IFRS for SMEs (Small and Medium-sized Entities).

The Foundation stated that the architectural framework of the 2011 taxonomy is consistent with the architecture established for the 2010 taxonomy, while the scope of the financial reporting content of the exposure draft IFRS Taxonomy 2011 has been expanded to include IFRS application and implementation guidance and IFRS illustrative examples. The 2011 taxonomy also consolidates all IFRS Taxonomy interim releases that were published in 2010.

The exposure draft IFRS Taxonomy 2011 is open for comment until 18 March 2011.

Links:

[The exposure draft IFRS Taxonomy 2011](#)

[Visit the XBRL project page](#)

[View the press release](#)

The IFRS Taxonomy is tremendously important to Canadian companies. The most immediate impact will be felt by companies that must file with the SEC. When they convert to IFRS as required this year, they will then be required to file XBRL documents with the SEC under the XBRL related rules. There are over 350 such companies in Canada.

Afterwards, any subsequent adoptions of XBRL in Canada will have to be based on IFRS because that is the new standard in Canada effective this year.

SECTION 5 FORTHCOMING EVENTS IN CANADA

XBRL Canada offers a series of seminars during the year. Generally, they are half day seminars, with a registration fee of \$175, including morning juice, coffee and muffins. Registration is available at www.xbri.ca.

The seminars currently scheduled include the following:

- 1 April 7, 2011, Toronto – Intro to XBRL – Wasim Thaha and Gerald Trites.
- 2 April 20, 2011, Toronto (CICA) – Using the IFRS Taxonomy, Hands on Workshop

- 3 May 10, 2011, Ottawa – Intro to XBRL
- 4 June 16, 2011, Toronto (CICA) – Using the IFRS Taxonomy, Hands on Workshop

ADDITIONAL INFORMATION

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