

# Canadian XBRL Perspectives

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

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## SECTION 1 EDITORIAL

### XBRL Implementation Doesn't Need to Be a Burden to Filers

Implementation of XBRL for filing with regulators requires that data from filers' records be tagged by matching individual data items to the matching lines in an XBRL taxonomy. This process can be a significant undertaking by the filers or it can be a non-issue, depending on the approach taken by the regulator.

In the US, the SEC requires the tagging of financial statements, including detailed tagging of the notes using the US GAAP taxonomy. That approach puts a heavy burden on the companies required to file. The US GAAP taxonomy contains about 13,000 elements. Nevertheless the experience so far has shown that numerous companies have seen the need to add extensions to their filings.

Contrast that with the approach used in the UK. All companies in the UK must file their tax returns using XBRL and if they are public, with Companies House. That amounts to about 16 million companies using XBRL. They use the IFRS taxonomy with amendments to meet their specific needs. Their expanded IFRS taxonomy has about 5500 elements. The difference between the US and IFRS taxonomies is largely because the basic accounting standards are different in that US GAAP follows a rules based approach while IFRS follows a principles based approach. Therefore the US GAAP standards are considerably more specific.

In addition, in the UK, extensions are not allowed except for the oil and gas and banking industries. And finally, the UK originally had planned to implement detailed tagging of the notes, but has backed off that requirement. The end result is that XBRL filing is much less onerous in the UK, and there is little resistance from companies compared to the US.

In Canada, our situation is much closer to the UK than it is to the US. We use IFRS and don't necessarily need the detailed documents that they need in the US.

The end result is that, in Canada, we should be looking to the UK, not the US, for guidance on how to implement XBRL.

## SECTION 2 THE XBRL CANADA CONFERENCE IN OTTAWA

### Efficient and Effective Government Reporting October 17, 2012

The XBRL Canada Annual Conference was held in Ottawa on October 17. The program was an exciting one, featuring Daniel Kelly, President and CEO of the Canadian Federation of Independent Business as Keynote Speaker. Mr Kelly spoke on the needs of independent business for savings in the costs of compliance with government requirements and indicated that XBRL would be helpful in achieving this objective.

Gianluca Garbellotto explained how significant savings are being achieved in the Australian SBR Program. And David Blaszkowsky, of the US Dept of Treasury outlined key initiatives of the US Government and how XBRL has benefitted them.

Jerry Trites described how the Federal Deposit Insurance Corporation in the US has used XBRL to save millions of dollars in filing costs and achieve much greater effectiveness. And Bill Foster described the implementation of XBRL at Deposit Insurance Corporation of Ontario (DICO). Describing the issues they had encountered and how they addressed them

An afternoon panel, led by Gary Walker of OSFI, discussed the issues around Implementation of Standardized Data and included many of the speakers as well as senior representatives of key government departments and agencies, including Ted Gallivan, Director General, Business Returns Directorate of CRA. The full program along with copies of most presentations can be viewed at [www.xbrl.ca](http://www.xbrl.ca).

On the morning after the conference, a seminar led by Gianluca Garbellotto dealt with SBR in more depth. The seminar was highly interactive, with many participants expressing their satisfaction with the lively conversation and insights provided by Mr Garbellotto.

Overall, the conference and seminar was a considerable success.

## SECTION 3 NEW CANADIAN XBRL ONLINE COURSE

XBRL Canada has introduced a new online course which is available on its website ([www.xbrl.ca](http://www.xbrl.ca)).

The online course contains the following sections:

**Introduction** reviews the present situation and identifies the various pressures that are bringing about advances in business and financial reporting.

**Global Adoption** summarizes the global situation, developing a new perspective by identifying the geographic areas adopting XBRL and who, within those areas, are sponsors of change.

**Technology Overview** provides an insight into the components of the XBRL platform and how iXBRL represents an alternative solution.

**Implementation** discusses the various issues and potential pitfalls that can arise with implementation.

**Benefits** highlights the achievements made and who has benefited;

**Future** reveals an insight into the direction that business and financial reporting is now taking, particularly in Canada.

Unlike other online courses, this course contains three levels of content: learners can opt for

the one-hour *Strategic*, two-hour *Informational*, or three-hour *Detailed* level. Successful completion of the test questions at the end of the course permits learners to claim the relevant number of CPD-qualifying hours.

Give it a try!

## SECTION 4 IFRS TAXONOMY AT A STANDSTILL WITH THE SEC

Technically, under SEC rules, all Canadian companies that file with the SEC must also file XBRL documents. However, virtually all Canadian public companies use IFRS and the SEC has not accepted the IFRS taxonomy because it does not comply with the processing needs in its system. Also the SEC has been concerned about the robustness of the IFRS taxonomy, since it has much fewer elements than the US GAAP taxonomy.

Extensive discussion has taken place over the past year to try to resolve this issue and now it appears the two sides have reached a stalemate. As Olivier Servais, Director of XBRL Activities for the IASB Foundation, said in a recent interview, “We are not working under any kind of contractual relationship,” he said. “We created a taxonomy and then we made it available. We are not guided or enforced by any one regulator in the world. We make it available to regulators in other countries to take it or leave it.”

As recently reported in the Hitachi Blog, Mr Servais added he’s not convinced the difference in the number of concepts in the IFRS Taxonomy compared with the U.S. GAAP Taxonomy is important. The IFRS Taxonomy has just short of 4,000 elements compared with approximately 17,000 in the GAAP Taxonomy.

“We’ve observed on both sides of the ocean to prepare financial statements in XBRL, whether you’re using IFRS or GAAP, the number of concepts to be reported is about the same, whether on the face or in the notes, by block tagging or detail tagging.”

The next steps to be taken by the SEC are not clear at this point. Observers feel that it could take a good deal of time to resolve the issue and make it possible for foreign filers using IFRS to file in XBRL. One approach mentioned by several observers and has been considered is to incorporate IFRS elements into the existing US GAAP taxonomy and run with that. But there appear to be no plans to launch such a project at this time.

## ADDITIONAL INFORMATION

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