

Canadian XBRL Perspectives

Advanced Data Management - From XBRL Canada

THIRD EDITION, VOL 3

NOVEMBER, 2013

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

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SECTION 1 EDITORIAL

XBRL Matures into a Worldwide Reporting Standard

XBRL adoption continues to grow around the world as evidenced by the numerous stock exchanges that have adopted it as a requirement for filing their financial information, by the many governments and government agencies that have adopted it for their filings by members of the public and by the growing number of countries that have formed jurisdictions of XBRL International.

A great many securities regulators are requiring XBRL. In addition to the US, there is Japan, Denmark, Germany, Dubai and many, many others.

XBRL is being used or planned in an SBR sense by governments of Netherlands, Australia, Britain, Most EU countries, New Zealand, and more. Where you draw the line between full SBR and government usage is an open question.

Another common use of XBRL is for filing of tax returns. The HMRC in Britain is a good example (they use inline XBRL) and potentially a model for Canada. In addition, XBRL is required for tax returns in all those countries mentioned above regarding government use as well as Hong Kong, Singapore and others.

XBRL is also being planned for use in reporting corporate actions, which is a promising area. In addition, it is used for sustainability reporting, using the GRI taxonomy developed a few years ago.

Finally, XBRL is used for data management projects such as the IData Project of PricewaterhouseCoopers for sharing data across lines of business. And XBRL may well form the core of the Data Act in the US when it is implemented.

So XBRL is proving useful for a variety of purposes far beyond corporate securities regulation, and its use is expanding every day. It has truly become a global financial and business reporting standard, but also a global data management tool.

SECTION 2

Standard Business Reporting in Canada

Standard Business Reporting (SBR) refers to the use of XBRL and other open reporting and data management standards for use by numerous government departments and agencies in a country. It does not necessarily need to encompass all departments, but generally it is interpreted to include a critical mass of such within a given country.

It is usually adopted to streamline the reporting requirements of governments so as to lighten the burden on the public who must file the reports and to streamline the data management capabilities of the governments and help them to become more efficient.

These policy goals are common to many governments and, importantly for Canadians, to the Government of Canada, which has publically announced their commitment to reducing red tape and the compliance burden to the public as well as encouraging greater efficiency in government activities.

It was for these reasons that CPA Canada and CGA Canada jointly recommended XBRL in their pre-budget consultations with the Finance Minister earlier this year.

At the same time, some of the departments in the Government of Canada, along with XBRL Canada, are beginning a study to examine the feasibility of collecting and sharing selected information in XBRL format between departments.

There is a high degree of understanding of XBRL within the civil service in Canadian government as there is of other data management tools and techniques. It's a pretty safe bet that at some point new electronic data standards will be adopted by a number of departments.

XBRL Canada hopes that the selected standard is XBRL because there is so much to be gained by the adoption of the same standard across the government and because XBRL is widely adopted around the world and therefore makes sharing and comparability of data much more feasible. It also adds to the benefits of sharing data management experiences with other governments.

SECTION 3

Canadian XBRL Filers are Abundant

It is a little known fact that a considerable number of Canadian companies already file XBRL financial information with the SEC. It has been thought by many that the only companies who must file are those that are cross-listed in US exchanges. But this is only a part of the population.

The existing SEC rules do require filings from Foreign Private Filers of certain XBRL information, basically the Form 40F and related forms. Initially, it applied to those using US GAAP and IFRS. However, the SEC was unable to agree on the IFRS and would not approve it for use, leaving only those foreign filers using US GAAP to file.

However, there is another category of Canadian company that has to file with the SEC. That

is any company that is incorporated in the US and is listed on a US Exchange but headquartered and operating in Canada. They need to file as domestic filers.

This latter group may sound like it would be a small group, however, when it is combined with the foreign private filers using US GAAP, it amounts to approximately 450 companies from across the country.

The overall group includes some of Canada's largest and most prominent corporations, such as CN Rail, Domtar and Birks but also a number of smaller companies. It includes companies from every region, with the largest being BC, Alberta and Ontario with quite a number from Quebec.

Resource companies make up a significant portion of the companies, originating primarily in BC, Alberta, and Northern Ontario and Quebec. But almost every other industry is represented as well, including pharmaceuticals, real estate, technology and retail.

As with the larger population of XBRL filers, most of them outsource their filings to intermediaries. But it is noteworthy that the larger companies would need to develop at least a minimal in-house capability in XBRL, which means that there is an untapped resource in Canada in the XBRL field.

XBRL Canada is looking into ways to assist these companies and provide a forum for them to share experiences. Consideration is being given to forming special interest groups in Vancouver, Calgary, Montreal and Toronto to help these companies share information and experience. Further information is available from info@xbrl.ca.

SECTION 4

The IFRS Taxonomy 2014

The comment period for the *Interim Release Package* on the *IFRS Taxonomy 2013*, issued by the IASB on September 9 ended on November 11, 2013. The IFRS Taxonomy 2013 was a translation of IFRS as at January 1, 2013 into XBRL.

IFRS Taxonomy interim releases contain additional taxonomy concepts that reflect new IFRSs and improvements to IFRSs published by the IASB, thereby allowing entities wishing to report electronically using the latest IFRSs to do so without the need for these entities to create their own taxonomy concepts. They may also contain technical updates and corrections.

This interim release is designed to be part of an accelerated timeline for the release of the IFRS Taxonomy 2014. The final version of the IFRS taxonomy 2014 is expected to be published in early 2014.

With the taxonomy improvements incorporated in the package and expected to be included in the 2014 taxonomy, the hope for Canada is that the concerns of the SEC about the taxonomy will be reduced to the point that they can approve it for foreign filers. Several insiders say that there is a good chance that this will happen, which would mean that Canadian filers with the SEC using IFRS will be required to file in XBRL by next year. That would mean the number of Canadian companies filing in XBRL will be in the range of 700 companies.

ADDITIONAL INFORMATION

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