

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

Standardized Business Reporting (SBR)

The Canadian government is trying to find ways to cut costs and also to cut red tape in the government for itself and for those who need to deal with it. There is a simple way for them to achieve these goals –to save millions of dollars per year. By implementing Standardized Business Reporting (SBR).

Most Canadians need to file information with the government in one way or another, whether it be tax returns, Statscan forms or other information returns. Most businesses need to file with several departments.

Under the current approach, the departments all use different systems to collect and process the data they want. That means the filers need to fill out different forms and file the data in different formats. Often it's the same information, just in different forms and using different systems.

This is highly inefficient! Imagine an approach where all the data are collected in the same format. Where filers only need to send in the data once for consumption by whichever department needs it. Imagine the savings!

It's possible by implementing SBR using XBRL as a format. Other countries are doing it and reaping the benefits. The government has mentioned its desire to have a "tell us once" policy. Why don't we step up?

SECTION 2 THE XBRL CANADA CONFERENCE IN OTTAWA

Efficient and Effective Government Reporting October 17, 2012

The XBRL Canada Annual Conference is being held in Ottawa this year. The program is an exciting one! Keynote Speaker will be Daniel Kelly, President and CEO of the Canadian Federation of Independent Business, who will speak on the needs of independent business

for savings in the costs of compliance with government requirements.

Gianluca Garbellotto will explain how significant savings are being achieved in the Australian SBR Program. And David Blaszkowsky, of the US Dept of Treasury will outline key initiatives under way and planned within the US Government in this area.

Mark Montoya will describe how the Federal Deposit Insurance Corporation in the US has used XBRL to save millions of dollars in filing costs and achieved much greater effectiveness. And Bill Foster will describe the implementation of XBRL at Deposit Insurance Corporation of Ontario (DICO)

An afternoon panel will discuss the issues around Implementation of Standardized Data and will include many of these speakers as well as senior representatives of key government departments and agencies, such as CRA, Statscan and OSFI. The full program can be viewed at www.xbrl.ca. There will also be a seminar on the morning of October 18th to go into more depth on SBR.

Register by going to the XBRL Canada website at www.xbrl.ca.

XBRL Canada is supported and administered by the Canadian Institute of Chartered Accountants.

SECTION 3 THE CANADIAN XBRL ROADMAP

A new publication of XBRL Canada and the Canadian Institute of Chartered Accountants (CICA), the XBRL Roadmap has been released in English and French.

Canadian businesses are required to file a wide range of information with numerous government departments and agencies. The frequent need to report the same data several times, requires them to assemble and present those data each time, usually in different formats. This lack of a common format makes compliance expensive and time consuming as businesses have to tailor, duplicate and individually supply the information needed to meet the many and varied requirements of each department and agency. The Canadian Federation of Independent Business estimates this compliance process costs Canadian businesses \$30.5 billion annually.

The Government of Canada has also recognized that compliance is an expensive problem. In January 2011, Prime Minister Stephen Harper announced the creation of the Red Tape Reduction Commission to identify what it calls “irritants to business” and remove them “in order to reduce the compliance burden on businesses, especially small businesses”. In response to the Commission’s call for reports, XBRL Canada and the Canadian Institute of Chartered Accountants both recommended the use of eXtensible Business Reporting Language (XBRL) to achieve the government’s goals. The Commission reported in January, 2012, and while it did not recommend the adoption of XBRL, it left the door open for technology solutions to be adopted as red tape reduction initiatives are carried out. The Roadmap was prepared to show how XBRL could be implemented.

A growing number of countries are currently implementing or have already implemented Standard Business Reporting (SBR), an approach to filing with governments that involves adopting XBRL across a wide range of government departments and agencies. The experience of other countries indicates that SBR could save Canadian filers as much as \$1 billion a year in the cost of compliance. Our report also highlights the savings available to government by using technology to process those filings to a much greater extent than is being done at present. The cost of human error could thereby be reduced and human

resources redirected from administrative processing routines to the more valuable work of data analysis.

This roadmap report sets out a strategy that would enable the federal government to take the lead in adopting SBR.

In summary, this report provides a roadmap for government to:

1. Initiate a comprehensive SBR program using XBRL across as many departments and agencies as possible and reasonable.
2. Establish a core group to manage the project from inception to implementation.
3. Encourage and engage the departments and agencies to collaborate in the development of the SBR program.
4. Initiate collaboration with market intermediaries and suppliers, including software developers, to build the SBR filing requirements seamlessly into their products.

The Roadmap is available in electronic form at www.xbrl.ca.

SECTION 4 THE EU TO ADOPT XBRL FOR ALL LISTED COMPANIES

This week the Legal Committee (JURI) – leading committee for the EU legislation to adopt XBRL - issued its reports on relevant draft directives.

In harmonisation of transparency requirements for listed companies JURI proposes:

- 1) From 1 January 2018 all financial annual reports shall be prepared in a single electronic reporting format.
- 2) European Securities and Markets Authority (ESMA) shall develop standards, such as XBRL by 31 December 2015.
- 3) European Commission is empowered to adopt the standards.
- 4) Before the adoption of the regulatory technical standards the Commission, together with ESMA, shall carry out an adequate assessment of possible electronic reporting formats and conduct appropriate tests in all Member States.'

In the recital of the directive for annual accounts/accounting regime for non-listed entities:

- 1) The Member States are strongly encouraged to develop electronic publication systems that allow undertakings to file accounting data, including statutory financial statements, only once and in a form that allows multiple users to access and use the data easily.
- 2) The Commission is encouraged to explore means for a harmonised electronic format for reporting such as preparing financial statements in XBRL, such systems should, however, not be burdensome to small and medium-sized undertakings.

The EU action represents a major development in the global advance of XBRL for filing of information.

ADDITIONAL INFORMATION

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