XBRL | SA

THE SUCCESSFUL IMPLEMENTATION OF XBRL AS DIGITAL MECHANISM FOR FILING OF ANNUAL FINANCIAL STATEMENTS

▶ MONTHLY FEATURE:

The case for XBRL as a useful reporting language: Benefits and considerations: Yvette Kulik CA (SA) and Prof Ahmed Mohammadali Haji CA (SA) from University of Johannesburg

▶ INTERNATIONAL NEWS

Proposed Updates to the global IFRS Taxonomy published for comment, SEC XBRL success story, Structured reporting: an early implementation study from the UK and IFRS Taxonomy Consultative Group continues deliberating the digital reporting implications of the Exposure Drafts on Disclosure Requirements in IFRS Standards— A Pilot Approach and Management Commentary

NEWS LETTER
November / December 2021

LOCAL NEWS ◀

Local Regulator News and updates: XBRL mandate extended to co-operatives from 1 April 2022

WHAT TO EXPECT ◀

FOREWORD

By Rakesh Beekum –
Chairman of XBRL SA

Season's greetings XBRL Community. We have experienced unprecedented setbacks with the pandemic and as we are full into the fourth wave, I wish you and your loved ones a safe and blessed holiday.

2022 will bring us new hopes, better technologies and blurring between the physical and digital worlds into the metaverse. I am pleased with the progress with the company filings with CIPC and even more pleased with the XBRL community becoming more XBRL savvy and the software service providers increasing and providing more enhancements.

The South African Reserve Bank (SARB) has begun their XBRL journey and rightfully so, with the development of taxonomies.

Be safe and re-energise.

THE CASE FOR XBRL AS A USEFUL REPORTING LANGUAGE: BENEFITS AND CONSIDERATIONS

By: Yvette Kulik CA (SA), Senior Lecturer at UJ, BCom, BCom (Hons), MCom and Prof Ahmed Mohammadali Haji CA (SA), Associate Professor at UJ, BCom, BCom (Hons), MCom

In the first, in a series of articles exploring XBRL, the authors focused on why XBRL is important to CAs(SA). In this article, they continue to consider XBRL based structured digital reporting. Firstly, the benefits and considerations of XBRL is presented in this article and this will be followed by a separate article in which they provide a brief history on the development of XBRL.

As noted in the first article, they emphasis the importance of remembering that XBRL is not changing the rules of financial reporting. It is a technological innovation that changes the manner in which financial reports are being prepared and used globally.

Benefits and considerations of XBRL

One of the factors driving this change is that XBRL structured and tagged financial information is readable and understandable by computers. To date, unstructured, paper-based and electronic financial reports had to be read, interpreted and analysed by humans, a process that is slow, prone to mistakes and frustrates attempts to compare data for trend comparisons.

By generating machine readable financial information in XBRL reported data, financial analysis processes can be performed more efficiently and effectively once the reporting processes are established. Analysis and comparison of XBRL tagged financial information can be automated and performed by computers, potentially resulting in more efficient investment management decisions and regulatory oversight of reported data.

XBRL has been lauded repeatedly to have the following benefits:
• As noted last month, more efficient processing, review and analysis of financial data and compliance information by regulatory bodies, governments and agencies like the Companies and Intellectual Properties Commission (CIPC) in South Africa and potentially even the South African Revenue Services (SARS);
• Ease of data submission with improved accuracy of these data submissions to both regulators and analysts by reporting entities;
• More efficient and effective data and financial reporting supply chain process to all interested parties, allowing for agility when reporting needs change;
• Simplified business reporting using harmonised data definitions by reporting entities;
• Efficient analysis of entity risk by investors and analysts; and
• Financial analysts and other users can create ratios,

user-defined data aggregation and other value-added analysis based on fundamental data coded in their data tools based on XBRL taxonomies.

It is anticipated that the efficiencies resulting from the use of XBRL can result in reductions in both the costs and time associated with data capturing and analysis, resulting in a streamlined financial reporting process. An XBRL based reporting environment can result in companies saving both time and money, as it can eliminate the need for transactional or consolidations processes when financial reporting systems can be set up to communicate directly. This could potentially result in savings on resources, allowing companies to allocate the skills of accounting professionals towards the growth of the business.

Despite the benefits expected from using XBRL, one of the main barriers to entry is the level of expertise required to initially implement XBRL and the potential costs related to implementation, including the modification of existing reporting processes and the acquisition of XBRL-tagging software, as only the XBRL language itself is free. We will explore this aspect in future articles.

Global research has also indicated that without regulatory requirements enforcing the adoption XBRL as a reporting language – as we have seen in South Africa with the Companies and Intellectual Property Commission of South Africa's (CIPC) XBRL reporting programme – companies are not likely to voluntarily adopt XBRL as a business reporting standard. The true value of XBRL can only be realised if most entities within a reporting jurisdiction adopts and issues XBRL coded financial statements as part of their standardised financial reporting processes.

Concern is raised, as with all 4IR solutions, that XBRL adoption could result in job losses. We are of the opinion that the adoption of XBRL as a reporting tool will enable accounting professionals to focus more on data analysis and interpretation, rather than mundane tasks. The preparation and analysis of financial statements will be further stream-lined and possibly more robust, improving the quality of data within the financial information supply chain.

Understanding XBRL as a reporting language also requires us to reflect on how the reporting framework came to being. This is discussed in detail in our next article. Next month we will take a look at the first regulated XBRL data model that CIPC mandated for adoption from July 2018 onwards.

LOCAL NEWS
Local Regulators' News and updates

XBRL MANDATE EXTENDED TO CO-OPERATIVES

XBRL mandate extended to co-operatives

In filing the annual reports, co-operatives will be required to file audited financial statements or independent reviewed report depending on the Category using XBRL platform. This provision will come into effect from 1 April 2022.

XBRL TAXONOMY UPDATES ◀

ARE YOU ABOUT TO SUBMIT YOUR FINANCIAL STATEMENTS TO THE CIPC VIA XBRL?

Submit your financial statements to the CIPC via XBRL

A reminder that the 2021 XBRL Taxonomy was released by the CIPC on 1 October 2021. This included recently issued amendments to International Financial Reporting Standards (IFRS) such as Covid-19-Related Rent Concessions - Amendment to IFRS 16 -Leases, Property, Plant and Equipment—Proceeds before Intended Use - Amendments to IAS 16 -Property, Plant and Equipment and Amendments to IFRS 17 – Insurance Contracts. The 2021 Taxonomy also includes the GRAP Taxonomy.

EVENTS/RECORDINGS

Recording – CIPC iXBRL Colloqium

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The Colloquium was aimed at promoting iXBRL by informing delegates about the status, learnings and successes of the CIPC's Programme as a pioneering initiative in South Africa and to emphasise the potential that iXBRL offers for other regulators, government agencies and other users of financial statements.

Recording – SAICA XBRL event

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In this webinar, the CIPC provided an update on its iXBRL programme including sharing insights into the 2021 XBRL Taxonomy.

FREQUENTLY ASKED QUESTIONS

If your PI score is between 100 and 350 and your AFS are not audited and not required to in terms of the MOI – what is required in terms of XBRL? How will the CIPC system provide assurance with regards to the correctness of AFS data submitted? Obtain responses to these and many other questions on the CIPC XBRL programme answered in this

FAQ document.

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FAQ's, Queries and Practical Tips

SOCIAL MEDIA

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INTERNATIONAL NEWS

International XBRL Taxonomy news and Global developments

IFRS TAXONOMY 2021—PROPOSED UPDATE 2 TECHNOLOGY UPDATE

IFRS Taxonomy 2021—Proposed Update 2 Technology Update

The proposed changes aim to reflect developments in the technology that underlies or relates to the IFRS Taxonomy. They also consider variation in standards and practices and will support the usage of the IFRS Taxonomy or comparable taxonomies in different regulatory environments. The deadline to submit comments on the proposed changes is 3 January 2022.

ACTIVITIES OF THE IFRS TAXONOMY CONSULTIVEGROUP (ITCG)

Activities of the IFRS Taxonomy Consultative Group (ITCG)

At its meeting held during November 2021, the ITCG continued its discussions on the digital reporting implications of the IASB's proposals for reporting information in management commentary.

Global Developments

NEW XBRL-CSV AND XBRL-JSON

XBRL International is working towards adding new xBRL-CSV and xBRL-JSON modules to its certification programme, which will provide assurance for users as to which available software products fully support the new formats.

PUBLICATION OF A NEW DRAFT OF THE TRANSFORMATION RULES REGISTRY

The transformation rules support the Inline XBRL specification by defining how values such as dates and numbers that are presented using local conventions are converted into the consistent, standardised formats required for structured data.

US SECURITIES AND EXCHANGE COMMISSION (SEC) FILINGS DATA NOW AVAILABLE VIA RESTFUL APPLICATION PROGRAMMING

The SEC has launched data.sec.gov for beta testing by developers. This new page hosts APIs that deliver JSON-formatted filings data to external users, as well as SEC web pages.

SEC XBRL SUCCESS STORY

SEC commissioner shares the SEC's XBRL journey. Commissioner Caroline Crenshaw reinforced the benefits of XBRL. The Commissioner shared the SEC story at the recently held XBRL US Investor Forum 2021: Data that Delivers

SEC PROPOSES UPDATES TO FILING RULES

SEC has unanimously voted to propose updates to its filing rules for funds, investment advisers, issuers, and others. These would mandate electronic submission of a number of forms and amend some to require structured data reporting.

Global Developments

BANK OF ENGLAND ADOPTS XBRL FOR STATISTICAL DATA

Bank of England adopts XBRL for statistical data

The Bank is transforming the way companies prepare and submit regulatory and statistical reporting data, changing its reporting format from XML to XBRL. To this end, it recently released a XBRL taxonomy.

MANDATORY STRUCTURED REPORTING IMMINENT FOR THE UK

Mandatory structured reporting imminent for the UK

Mandatory structured reporting is around the corner for the UK. From 1 January 2022, certain companies will be required to start producing their 2021 annual financial reports in a structured electronic format. Letters have been sent to company CEOs to remind them of their obligations.

STRUCTURED REPORTING: AN EARLY IMPLEMENTATION STUDY

Structured reporting: an early implementation study

This report aims to support companies in their implementation of the requirements. It covers key issues and practice tips, usability and appearance, tagging, and key questions for companies and their boards.

2022 FRC TAXONOMIES SUITE

2022 FRC Taxonomies Suite

The 2022 suite of FRC Taxonomies has been issued. The suite is updated for all FRC taxonomies.

RAPID INCREASE IN COMPANIES SUBMITTING REPORTS THROUGH XBRL

Rapid increase in companies submitting reports through XBRL

The Amman Stock Exchange (ASE) announced that 97% out of 173 listed companies provided their reports for the third quarter as required, through ASE's XBRL-based e-disclosure system.

THANK YOU

EVENTS/RECORDINGS

29TH XBRL EUROPE DIGITAL WEEK
This webinar focused on European Single Electronic Format and covered regulatory updates, practical insights and perspectives on quality from a range of speakers, plus the concluding panel discussion.

The recording of the webinar is available.

29th XBRL Europe Digital Week

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