

eXtensible Business Reporting Language.

Moving to a global standard for electronic business reporting

Integrated
Performance
Management
(IPM)

The new reality

Today more than ever heightened regulatory oversight, globalisation and rising risk awareness are forcing companies and regulators to look into technologies that standardise the exchange of financial and business information.

eXtensible Business Reporting Language, or XBRL, was designed to meet these challenges by establishing a global standard to **streamline corporate to government and interagency reporting**. Worldwide, regulators and companies are embracing XBRL as a standard for financial and business data. Some of the recent developments that drive the adoption of XBRL:

- The United States Securities and Exchange Commission (SEC) has issued a rule proposal to mandate the use of XBRL by US registrants. The proposed mandate will be phased in starting early 2009 and will require that companies submit financial statements in XBRL.
- The International Accounting Standards Board (IASB) has released an expanded IFRS XBRL Taxonomy to support the broad adoption of XBRL for IFRS based reporting. The IFRS taxonomy has been leveraged as the basis for other XBRL reporting taxonomies including COREP, FINREP, and others.
- The National Bank of Belgium supports filing of financial statements in XBRL since April 2007.
- The European Commission is looking into XBRL to support their initiatives in the areas of administrative burden reduction and interoperability.

Opportunities

As XBRL-based reporting is gaining momentum, now is the time to take a holistic approach in the integration of XBRL into the financial and business processes to fully realize its inherent benefits, which include the following:

- **Easy access to financial data and industry benchmarking** – XBRL allows for increased transparency of financial information in international capital markets. XBRL enables companies, investors and regulators to perform comparison analysis and industry benchmarking more easily.
- **Standardised and improved business and financial reporting** – By integrating XBRL into the financial reporting process, a company can streamline and automate its global reporting flows. Attaching standardised “tags” (similar to barcodes) to data within documents and other sources, XBRL reduces laborious and error-prone manual reporting processes.
- **Data consolidation from disparate systems** – XBRL provides a uniform standard for consolidating data from disparate source systems. XBRL-tagged data allows automation of data validation, reducing time consuming and costly collation and reentry of information. The human effort can focus on more value-added analysis, review, and decision-making.



- **XBRL is extensible** – XBRL is extensible and flexible, making it adaptable to a wide variety of applications and requirements. Companies can customise and create new elements or tags for their specific purposes by extending currently available taxonomies.

Using XBRL does not necessarily require a significant change in the current accounting process; tagging can simply be treated as an added step. Companies that take a holistic approach in the integration of XBRL will likely realise more of the inherent benefits provided by XBRL, than those companies that take a “bolt on” approach.

How Deloitte can help you

As one of the founding members of the XBRL International consortium, Deloitte actively participates in XBRL development around the globe. We can provide your financial reporting teams with expertise in the areas of (financial) data warehousing, financial processes (e.g. consolidation), audit & compliance, tax, ERS, industry expertise, and XBRL design.

Our offerings include the following:

- **XBRL readiness assessment** – Assess your organisation’s readiness for XBRL reporting and develop an implementation roadmap for sustainable XBRL financial reporting based on your financial reporting process and technology infrastructure. Our approach evaluates the potential impacts of XBRL on your external reporting process as well as in areas such as finance transformation, data integration, and internal reporting.
- **XBRL implementation** – Implement XBRL solutions in your organisation to ensure regulatory compliance and to align internal reporting processes. Our approach focuses on providing you with the knowledge and methodology for an ongoing XBRL reporting process.
- **XBRL training** – We can assist you with your XBRL educational needs from awareness to technical training.
- **XBRL advisory** – We can assist you in determining how to position XBRL in your organisation. We can provide guidance in your XBRL-related initiatives.

Possible use cases for private companies:

- Compliance assistance for regulatory filings.
- Taxonomy extensions: extend public taxonomies for internal use.
- Corporate consolidation and financial data warehousing: leverage the strengths of XBRL in your corporate consolidation process and overall financial data warehouse architecture. In co-operation with Deloitte’s consolidation centre of excellence.
- Benchmarking analytics: introduce competitive benchmarks in a corporate data warehouse.

Possible use cases in the public sector:

- Taxonomy architecture and design: use XBRL to redesign your information obligations.
- Administrative burden reduction advice: understand how XBRL can reduce the administrative burden for companies and contribute to an efficient government.
- Interoperability advice: understand how XBRL can improve the exchange of information between different government agencies.

More information

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