EXTENSIBLE BUSINESS REPORTING LANGUAGE: AN INNOVATION IN INTERNET REPORTING

4.1 INTRODUCTION

XBRL stands for Extensible Business Reporting Language, is an electronic format for communication of business and financial data which is modernize business reporting around the world. The standardization in-built in the XBRL documents provides significant benefits in the preparation, analysis and communication of business information. XBRL provides cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data. XBRL improve the usability and transparency of financial information reported under existing accounting standards or accounting system, simplifies disclosure, and allows users to communicate financial information more readily and accurately.

The XBRL is a global initiative guided by an international non-profit consortium of major companies, organizations and government agencies. These include the world’s leading accounting, technology, government and financial services bodies.

XBRL is an extension of XML, which stands for Extensible Mark-up Language. Extensible is a useful feature that allows the user to use XML in more than one way. Mark-up means that XML gives definitions to text and symbols. Language implies that XML is a method of presenting information that has accepted rules and formats. XBRL is then, a royalty free, opens specification language for software that uses XML data tags to describe financial information for public and private companies and
other organizations. It allows different parties to enhance the creation, exchange and comparison of business reporting information.

The objective of XBRL is to render business reports with an XML-compatible code so that all users in the business reporting supply chain can have a more efficient means of report preparation, and provide for the reliable extraction of financial data across all formats. With XBRL, financial data has to be entered only one time, reducing the risk of data-entry error and eliminating the need to manually key information for various formats. Thus, investors and financial analysts are able to lower the cost of preparation and get quick access to information.

There are some international Accounting firms and bodies that describe XBRL in their own words. Some of them are given below:

- **XBRL International** says:

  XBRL is a language for the electronic communication of business and financial data which is revolutionizing business reporting around the world. It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data.

  XBRL stands for eXtensible Business Reporting Language. It is one of a family of “XML” languages which is becoming a standard means of communicating information between businesses and on the internet. XBRL is being developed by an international non-profit consortium of approximately 450 major companies, organizations and government agencies.

  It is an open standard, free of licence fees. It is already being put to practical use in a number of countries and implementations of XBRL are growing rapidly around the world. The idea behind XBRL, eXtensible Business Reporting Language, is simple. Instead of treating financial information as a block of text – as in a standard internet page or a printed document – it provides an identifying tag for each individual item of data. This is computer readable. For example, company net profit has its own unique tag.
The introduction of XBRL tags enables automated processing of business information by computer software, cutting out laborious and costly processes of manual re-entry and comparison. Computers can treat XBRL data “intelligently”: they can recognize the information in a XBRL document, select it, analyze it, store it, exchange it with other computers and present it automatically in a variety of ways for users. XBRL greatly increases the speed of handling of financial data, reduces the chance of error and permits automatic checking of information.

Companies can use XBRL to save costs and streamline their processes for collecting and reporting financial information. Consumers of financial data, including investors, analysts, financial institutions and regulators, can receive, find, compare and analyze data much more rapidly and efficiently if it is in XBRL format.

XBRL can handle data in different languages and accounting standards. It can flexibly be adapted to meet different requirements and uses. Data can be transformed into XBRL by suitable mapping tools or it can be generated in XBRL by appropriate software.

- **Ernst & Young** says:
  Many organizations have been looking to the internet to bring the long-heralded promises of “better, faster, cheaper” data to organizational decision-making, and specifically to business and financial reporting. An emerging technology standard, eXtensible Business Reporting Language (XBRL), promises to web-enable the financial reporting process for both preparers and consumers.

Instead of treating financial information as a block of text, XBRL provides a computer-readable tag to identify each individual item of data. By attaching identifying tags to individual pieces of data, a business reporting document becomes “intelligent” data, allowing the exchange of business reporting data by encoding the information in a meaningful way.

Computer applications can use the XBRL data to recognize the information in an XBRL document – selecting, analyzing, storing, and exchanging it with other computers and present it in a variety of ways for users. As companies review their business reporting
Disclosure controls and procedures and begin to comply with new filing requirements, XBRL is becoming the chosen tool to help facilitate and restore confidence in business reporting and in turn, to communicate accurately the value of the company.

**XBRL is:**
- An open technology standard for reporting and analyzing business and financial information
- Software agnostic, or independent
- Accounting framework neutral

**XBRL is not:**
- A standardized chart of accounts
- A way to require the reporting of specific information
- A transaction level activity (although it can summarize general ledger transactions)

- **KPMG** says

XBRL can be viewed as a system of bar codes for financial statements. It allows companies to use nationally and internationally common ‘tags’ to identify individual reporting concepts that exist in a corporate report. Information that is coded in this way can be instantly and accurately exchanged between systems. How does this work? XBRL allows context to be communicated along with content.

XBRL facilitates the communication of entire reports, avoiding ‘template reporting’, which can be misleading and inaccurate. Where aspects of a particular business demand unique tags, report owners can create them, communicating the definition of a concept as well as its relationship to other parts of a report. In other words, there is no need to force a reporting concept into an ill-fitting box. XBRL is not a standard chart of accounts. It allows the standardization of common business reporting concepts while providing flexibility to extend the vocabulary to meet individual circumstances.

Companies can use XBRL as a universal exchange format to streamline and improve internal corporate reporting as well as to communicate with external business
information users. Increasingly, we are seeing XBRL adopted as the format of choice for corporate reporting.

Because XBRL is based on core internet technologies, it is possible to search across XBRL documents and extract individual concepts that might be needed for particular types of analysis. It is also possible to transform XBRL reports into any other format, including those more commonly used such as HTML and PDF.

- **Altova says**

Extensible Business Reporting Language (XBRL) is an XML-based markup language for electronic transmission of business and financial data. With a brand new mandate from the United States Securities and Exchange Commission (SEC), and official support from European Parliament as well as the governments of Japan and China, XBRL aims to reduce costs through the elimination of time consuming and error-prone human interaction. The introduction of XBRL tags allows computers to process information independently, thus increasing the speed of data integration and exchange, while at the same time virtually eliminating data redundancy and quality issues.

XBRL adoption gives companies the opportunity to introduce new efficiencies into their financial reporting workflow, preventing redundant tasks by automating data extraction and increasing accuracy through the validation of both syntax and semantics.

- **EDGAR says**

XBRL (Extensible Business Reporting Language) is a technology standard that can be applied to the creation of financial statement data and other reporting situations. It is used for the reporting of business and financial information and can make the process of creating, distributing, reporting and analyzing information more efficient and effective.

XBRL is an application of XML to business information and uses tags or structure to describe the data, making it immediately reusable, interactive and intelligent. It is also “extensible” so it can be customized for unique situations and reporting concepts.
XBRL is NOT an accounting standard although it can be used to represent reporting concepts and provide an explicit link from a reported concept to the relevant accounting standard. XBRL is NOT a software program although it can be used to enable the seamless exchange of information between disparate software applications.

XBRL data is more robust, accurate, and transparent than data in financial statements that appears in legacy electronic and paper reports. Here’s why: in an XBRL financial report, each piece of data (both numbers and text) is given a unique ID, based on standardized lists of accounting terms, or taxonomies. For example, a data point of $200,000 might be linked to the accounting terms “U.S. Dollars,” “Net Profit”, “2nd Quarter” “2006”. Once data is tagged, it is computer-readable. It can be identified, verified, extracted, and reused. The tags remains connected to the data, so even when the data is used in other XBRL software, it can still be understood in its original context.

XBRL tags both numbers and textual information, which means not only balance statements, but information such as statement of principals and even footprints, appendices, and updates, is accounted for, to aid in internal audits and external research and analysis.

### 4.2 SIGNIFICANCE OF XBRL

XBRL is a computer language that enables documents to be read and analyzed in ways that was previously not possible. Currently, financial statements or other information prepared in Word, PDF, Excel or HTML formats can be read but not analyzed or processed according to the user’s needs. For example, the word “Revenue” appears in many places in the financial statements, but if the reader wants to have all “Revenue” references and related information collated in one place, they would need to do so manually.

XBRL enables the user’s computer to “talk” to the financial statements and analyze a lot of such information. Generally, management of a company, users of financial statement or regulators would go through a time-consuming process of collation if
they want to compare their financial performance with those of peer-group companies. This can be facilitated if all companies are on XBRL.

XBRL formatting can be done for financial and non-financial data. For example:

- Financial statements
- Supplier data
- Customer application forms
- Project information
- Employee data
- Regulatory submissions
- Other Management Information Systems data

### 4.3 Key Components of XBRL

An XBRL document comprises the taxonomy and the instance document. Taxonomy contains description and classification of business & financial terms, while the instance document is made up of the actual facts and figures. Taxonomy and Instance document together make up the XBRL documents. Details of these two documents are as follows:

- **XBRL Taxonomies**
  
  Taxonomy can be referred as an electronic dictionary of the reporting concepts. Taxonomy consists of all the data definitions, the basic XBRL properties and the interrelationships amongst the concepts. It includes terms such as net income, EPS, cash, etc. Each term has specific attributes that help define it, including label and definition and potentially references. Taxonomies may represent hundreds or even thousands of individual business reporting concepts, mathematical and definitional relationships among them, along with text labels in multiple languages, references to authoritative literature, and information about how to display each concept to a user. Taxonomies are based on the regulatory requirements and standards which are to be followed by the companies. Accordingly, depending on the requirements of every country, there can be country-specific taxonomies.
• Instance Documents

An XBRL instance document is a business report in an electronic format created according to the rules of XBRL. It contains facts that are defined by the elements in the taxonomy it refers to, together with their values and an explanation of the context in which they are placed. XBRL Instances contain the reported data with their values and “contexts”. Instance document must be linked to at least one taxonomy, which defines the contexts, labels or references.

4.4 THE PROCESS OF XBRL

XBRL makes the data machine readable, with the help of two documents – taxonomy and XBRL instance document. Taxonomy defines the elements and their relationships. Using the relevant taxonomy, a company can map data and create an XBRL document. This XBRL document thus becomes machine readable and can be automatically read and analyzed by users. The following diagram depicts the process:

FIGURE: 4.1 – THE PROCESS OF XBRL

4.5 USES OF XBRL

XBRL can be applied to a very wide range of business and financial data. Among other things, it can handle:

- Company internal and external financial reporting.
- Business reporting to all types of regulators, including tax and financial authorities, central banks and governments.
- Filing of loan reports and applications; credit risk assessments.
- Exchange of information between government departments or between other institutions, such as central banks.
- Authoritative accounting literature – providing a standard way of describing accounting documents provided by authoritative bodies.
- A wide range of other financial and statistical data which needs to be stored, exchanged and analyzed.

4.6 BENEFITS OF XBRL

XBRL offers major benefits at all stages of business reporting and analysis. The benefits are seen in automation, cost saving, faster, more reliable and more accurate handling of data, improved analysis and in better quality of information and decision-making. All types of organizations can use XBRL to save costs and improve efficiency in handling business and financial information. Because XBRL is extensible and flexible, it can be adapted to a wide variety of different requirements. All participants in the financial information supply chain can benefit, whether they are preparers, transmitters or users of business data.

XBRL enables producers and consumers of financial data to switch resources away from costly manual processes, typically involving time-consuming comparison, assembly and re-entry of data. They are able to concentrate effort on analysis, aided by software which can validate and manipulate XBRL information.
• **DATA COLLECTION AND REPORTING**

By using **XBRL**, companies and other producers of financial data and business reports can automate the processes of data collection. For example, data from different company divisions with different accounting systems can be assembled quickly, cheaply and efficiently if the sources of information have been upgraded to using **XBRL**. Once data is gathered in XBRL, different types of reports using varying subsets of the data can be produced with minimum effort. A company finance division, for example, could quickly and reliably generate internal management reports, financial statements for publication, tax and other regulatory filings, as well as credit reports for lenders. Not only can data handling be automated, removing time-consuming, error-prone processes, but the data can be checked by software for accuracy.

• **DATA CONSUMPTION AND ANALYSIS**

Users of data which is received electronically in XBRL can automate its handling, cutting out time-consuming and costly collation and re-entry of information. Software can also immediately validate the data, highlighting errors and gaps which can immediately be addressed. It can also help in analyzing, selecting, and processing the data for re-use. Human effort can switch to higher, more value-added aspects of analysis, review, reporting and decision-making. In this way, investment analysts can save effort, greatly simplify the selection and comparison of data, and deepen their company analysis. Lenders can save costs and speed up their dealings with borrowers. Regulators and government departments can assemble, validate and review data much more efficiently and usefully than they have hitherto been able to do.
4.7 IMPACT OF XBRL

- FINANCIAL REPORTING ON THE INTERNET

XBRL affects financial reporting on the Internet in the following ways:

- It permits the automatic exchange and reliable extraction of financial information across all software formats and technologies, including the Internet.

- It eliminates manual work for preparing reports like copy-paste consolidation and reporting and also eliminates proprietary accounting system dump formats.

- It lowers a company’s cost to prepare and distribute its financial statements, e.g., printed financial statements or other specialized reporting formats such as credit reports and loan documents.

- Companies that prepare business reports and financial statements can increase efficiency and accuracy in the preparation of reports and statements as they are created one time and published as printed reports or on web sites, or submitted as regulatory filings many times.

- It allows for more efficient data collection and lowers operating costs associated with custom data feeds and reduced errors.

- It leverages efficiencies of the Internet as today’s primary source of financial information.

- Analysts, investors and regulators, who excessively rely on business reports, benefit from new possibilities in automated analysis and more frequent release of information.

- INTERNATIONAL REPORTING STANDARDS

The IASB is developing a taxonomy which reflects International Financial Reporting Standards (IFRS). National XBRL jurisdictions will extend this taxonomy to reflect their particular local implementation of IFRS. Taxonomies will thus be available to enable those reporting under IFRS in different countries to use XBRL, enhancing efficiency and comparability as adoption of IFRS expands around the world.
4.8 APPLICABILITY OF XBRL IN INDIA

- MINISTRY OF CORPORATE AFFAIRS (MCA) MANDATES XBRL

The mandatory use of XBRL is thus also an opportunity for Indian companies to determine how XBRL can be optimally used for internal business reporting and analysis. Through this approach, companies can use this regulatory change as a trigger for automating collation and analysis of identified internal data. This can result in benefits including cost savings, improvement in the speed of collating and analyzing data, improvement in the reliability and accuracy of data, and an overall improvement in the quality of information for decision making purposes.

On 31 March 2011, the MCA issued a Circular mandating all listed companies and certain unlisted companies, to file their balance sheet and profit and loss account (financial statements) for the year ended 31 March 2011 onward using an XBRL format. This Circular marks an important step in ensuring XBRL compliance for financial statements filed by Indian companies, and is part of a series of XBRL initiatives by various regulators.

In the initial phase, the MCA mandate applies to:

- All companies listed in India and their subsidiaries, including overseas subsidiaries
- All companies having a paid up capital of INR 5 crores or above, or a turnover of INR 100 crores or above
- The financial statements required to be filed in the XBRL format would be based on the existing Schedule VI of the Indian Companies Act, and the currently prevailing Indian Accounting Standards. Accordingly, XBRL implementation does not change any requirements relating to preparation of the financial statements, but merely reflects a change in the manner in which the financial statements will be transmitted to the regulators.
• **XBRL AND ICAI INITIATIVES**

In India XBRL Jurisdiction is with ICAI. It has formed XBRL India. XBRL India is a Company registered under Section 25 of Companies Act, 1956, incorporated for managing the affairs of Indian Jurisdiction of XBRL International. XBRL International is comprised of Jurisdictions which represent countries, region or international bodies and focus of XBRL in their area. XBRL Indian Jurisdiction is an established Jurisdiction of XBRL International. Its objectives are:

- To promote and encourage the adoption of XBRL in India as the standard for electronic business reporting in India
- To facilitate education and marketing of XBRL
- To develop and manage XBRL taxonomies
- To keep the developed XBRL taxonomies updated with regard to international developments
- To represent Indian interests within XBRL International
- To contribute to the international development of XBRL

### 4.9 TAGGING REQUIREMENTS AND CONSIDERATIONS

XBRL documents filed by companies should include the following information reported as per the existing provisions of law:

- Balance Sheet
- Profit & Loss Statement
- Cash Flow Statement
- Schedules related to Balance Sheet Profit & Loss Statement
- Notes to Accounts
- Statement pursuant to Section 212 of The Companies Act, 1956 relating to subsidiary companies
- Disclosure specific to MCA requirements:
  - Director’s Report
  - Auditor’s Report
In addition:

- Separate instant documents are to be created with respect to the Balance Sheet and Profit & Loss A/c, as well as for standalone and consolidated financials
- No extension to the core taxonomy is allowed
- A validation tool is provided on the MCA portal for validating the XBRL instance (this is a pre-requisite for filling)

### 4.10 STEPS FOR FILLING FINANCIAL STATEMENT IN XBRL FORMAT ON MCA PORTAL

- Creation of XBRL instance document
- Download XBRL validation tool
- Load the instance document
- Validate the instance document
- Pre-scrutiny of the instance document
- Convert to pdf and verify the contents of the instance document. (This step is essential to ensure that the textual information entered in the instance document is clearly viewable)
- Attach instance document to the Form 23AC-XBRL and Form 23ACA-XBRL
- Submitting the Form 23AC-XBRL and Form 23ACAXBRL on the MCA portal
- Viewing of balance sheet and profit and loss submitted in XBRL format on MCA portal

### 4.10.1 CREATION OF XBRL INSTANCE DOCUMENT

An XBRL instance document is a business report in an electronic format created according to the rules of XBRL. Taxonomy defines the elements and their relationships. Using the relevant taxonomy, a company can map data and create an

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instance document. There are some steps in making the instance document which are diagrammatically presented below:

**FIGURE: 4.2 – CREATION OF XBRL INSTANCE DOCUMENT**

![Diagram](image)

4.10.2 **DOWNLOAD MCA XBRL VALIDATION TOOL FROM MCA PORTAL**

A tool has been provided on the MCA XBRL portal for validating the generated XBRL instance document. Validating the instance document is a prerequisite before filing the balance sheet and profit & loss account on MCA portal. You are required to download the tool from the portal and validate the instance document before uploading the same. The MCA XBRL validation tool can be downloaded from the XBRL website of the Ministry (www.mca.gov.in/XBRL)

4.10.3 **LOAD THE INSTANCE DOCUMENT IN THE VALIDATION TOOL**

To load the instance document, you need to click the open button, select the instance document and open it. You need not exit the tool to load another instance...
document just click on ‘open’ again in the menu bar to open the next document. The
detail of the company is available under the General Information tag in the XBRL
viewer.

4.10.4 USE THE TOOL TO VALIDATE THE INSTANCE
DOCUMENT

The next step is to validate the instance document. The following validations shall
be performed by the tool-

- Validating that the instance document is as per the latest and correct version
  of taxonomy prescribed by MCA
- All mandatory elements have been entered
- Other business rules as specified by MCA
- Other validations as per taxonomy

4.10.5 PERFORM PRE-SCRUTINY OF THE VALIDATED
INSTANCE DOCUMENT THROUGH THE TOOL

Once the instance document is successfully validated from the tool, the next step is
to pre-scrutinize the validated instance document with the help of the same tool. For
pre-scrutinizing the instance document, a working internet connection shall be
required. In the Pre-scrutiny, the server side validations (i.e. validations which are
to be validated from the MCA21 system) shall be performed.

4.10.6 FINAL VERIFICATION POST PRE-SCRUTINY OF THE
DOCUMENT

Once the instance document has been successfully pre-scrutinized, the next step is
to generate pdf by using ‘Export to pdf’ functionality in the tool to verify the final
instance document. It is imperative that the company and the professional certifying
the instance documents should use this feature to verify the accuracy of the instance
document.
In case there is pdf conversion error or the size of the converted pdf is zero kilobytes, then check the textual information entered in the instance document and follow the html guidelines provided in section 1.1.3.1 point no. 38 technical specifications to correct the instance document and validate and pre-scrutinize again.

4.10.7 Attach instance document to the Form 23AC-XBRL and Form 23ACA-XBRL

There shall be a separate set of Form 23AC-XBRL and Form 23ACA-XBRL available on the MCA portal for filing in XBRL form. First fill up the Form 23AC-XBRL and Form 23ACA-XBRL. Thereafter, attach the validated and pre-scrutinized instance document for Balance sheet to Form 23AC-XBRL. Similarly, the instance document for Profit and Loss account is to be attached to Form 23ACA-XBRL. Separate instance documents need to be attached w.r.t. Standalone financial statements and consolidated financial statements.

4.10.8 Submitting the Form 23AC-XBRL and Form 23ACA-XBRL on the MCA portal

After the forms are filled, you are required to perform pre-scrutiny of the form, sign the form and then upload the same as per the normal e-Form filing process. It shall be validated that the attached instance documents are validated and pre-scrutinized from the XBRL validation tool.

4.10.9 VIEWING OF BALANCE SHEET AND PROFIT AND LOSS SUBMITTED IN XBRL FORM ON MCA PORTAL

The XBRL instance documents submitted along with Form 23AC-XBRL and 23ACA-XBRL are in machine readable format. Therefore, for viewing the same in a human readable format, these shall be converted into human readable format by the MCA21 system. For viewing the same on MCA portal and for taking certified copies of the same, these converted documents shall be made available.
In February 2005, the SEC initiated the XBRL Voluntary Filing Program (VFP) (SEC 2005), and XBRL US, Inc. released the initial U.S. GAAP XBRL Taxonomy (XBRL US, Inc. 2005). The VFP’s explicit purpose was to allow stakeholders an opportunity to test the technology and provide feedback (SEC 2005). In 2006, the SEC contracted with XBRL US to complete the U.S. GAAP Taxonomies 1.0 (XBRL US, Inc. 2008a) and a Preparers Guide (XBRL US, Inc. 2008b) released in 2008. XBRL US continues to update and release authoritative documents on an annual basis under contract with the SEC. The formal comment letters and recommendations by VFP participants and other interested parties provide useful input for improving XBRL and expanding the U.S. GAAP taxonomy, but there has been little published research examining the reliability and accuracy of XBRL filings.

- **PRINCIPAL COMPONENTS OF THE SEC RULES**

  - Phasing in of XBRL-based submission requirements for most registrants over a three-year period.
  
  - Submission of XBRL files as an exhibit to certain SEC filings.
  
  - Posting of XBRL files on the registrant’s corporate Web site for 12 months.
  
  - Tagging of financial statements, notes to financial statements, and certain required financial statement schedules. The requirement for detailed tagging of the notes to the financial statements and financial statement schedules is phased in.
  
  - Liability and certification considerations associated with the XBRL exhibit.

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4.12 IMPLEMENTATION SCHEDULE – THE PHASE-IN SCHEDULE

According to the SEC rules, the phase-in covers registrants reporting in either U.S. GAAP or IFRS, as issued by the IASB, including smaller reporting companies and foreign private issuers, on the basis of the following schedule:

<table>
<thead>
<tr>
<th>Periodic Report</th>
<th>Who must submit an XBRL Exhibit?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarterly report on Form 10-Q or annual report on Form 20-F or Form 40-F</td>
<td>Domestic and foreign filers, using U.S. GAAP, with a worldwide public common equity float above $5 billion as of the end of the second quarter of their most recently completed fiscal year. (The SEC expects this to be approximately 500 companies.)</td>
</tr>
<tr>
<td>containing financial statements for a fiscal period ending on or after June 15, 2009</td>
<td></td>
</tr>
<tr>
<td>Quarterly report on Form 10-Q or annual report on Form 20-F or Form 40-F</td>
<td>All other domestic and foreign large accelerated filers using U.S. GAAP.</td>
</tr>
<tr>
<td>containing financial statements for a fiscal period ending on or after June 15, 2010</td>
<td></td>
</tr>
<tr>
<td>Quarterly report on Form 10-Q or annual report on Form 20-F or Form 40-F</td>
<td>All remaining registrants using U.S. GAAP and foreign private issuers with financial statements prepared in accordance with IFRS as issued by the IASB.</td>
</tr>
<tr>
<td>containing financial statements for a fiscal period ending on or after June 15, 2011</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Those foreign companies who report in accordance with accounting standards other than U.S. GAAP or IFRS as issued by the IASB are not included in the scope of the SEC rules. Also, registered investment companies, business development companies, and entities that prepare financial statements in accordance with Article 6 of Regulation S-X are scoped out of the SEC rules.
4.12.1 XBRL FINANCIAL STATEMENT TAGGING DOES NOT APPLY TO:

- An investment company registered under the Investment Company Act
- A “business development company,” as defined
- A foreign private issuer (FPI) that presents its financial statements without using either US GAAP or International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB)

4.12.2 FILINGS ARE SUBJECT TO THE SEC RULES

Once a registrant becomes subject to the SEC rules, it is required to provide an XBRL exhibit for the following filings:

- Periodic reports on Forms 10-K, 10-Q, 20-F, and 40-F.
- Any Form 8-K or Form 6-K containing financial statements that are a revised version of financial statements that were previously filed with the SEC in a filing for which an XBRL exhibit was required or included, and that reflect certain subsequent events (e.g., a discontinued operation, a change in reportable segment, or a change in accounting principle) or a Form 6-K containing current interim financial statements included pursuant to the nine-month updating requirement.
- A registration statement under the Securities Act of 1933 (“Securities Act”) that contains the registrant’s financial statements. The XBRL exhibit is not required if the financial statements are incorporated by reference. Additionally, the XBRL exhibit is only required to be submitted after a price or price range has been determined, and is only required for the acquiring company in a business combination. The requirement will apply to registration statements under the Securities Act on Forms S-1, S-3, S-4, S-11, F-1, F-3, F-4, F-9, and F-10.

The SEC rules permit only the registrant’s financial statements, notes, and schedules to be included in the XBRL exhibit. For example, if the 10-K filing of a limited
partnership (LP) also includes the financial statements of its general partner (GP) (and the GP is not a separate issuer and is not required to submit its own Form 10-K), the XBRL files included in the exhibit are permitted to include only the financial statements and schedules of the LP, because the LP is the registrant. Similarly, a registrant cannot submit XBRL information for financial statements submitted pursuant to following rules and article of Regulation S-X:

- Rule 3-05, “Financial Statements of Businesses Acquired or to Be Acquired”
- Rule 3-09, “Separate Financial Statements of Subsidiaries Not Consolidated and 50 Percent or Less Owned Persons”
- Rule 3-14, “Special Instructions for Real Estate Operations to Be Acquired”
- Rule 3-16, “Financial Statements of Affiliates Who’s Securities Collateralize an Issue Registered or Being Registered”
- Pro forma financial statements prepared under Article 11

4.12.3 SUBMISSION DUE DATE

The XBRL submissions will be due to the SEC at the same time as the traditional filings to which they relate; however, the SEC rules provide two separate 30-day grace periods for the following filings:

- The registrant’s initial submission of financial statements and financial statement schedules in an XBRL format
- The registrant’s initial submission of financial statements, with detailed tagging of the notes to the financial statements and financial statement schedules

Registrants are also required to post the XBRL files on their corporate Web sites no later than the end of the calendar day that the information is filed or required to be filed with the SEC (whichever is earlier); such files must remain posted for at least 12 months.

A registrant that fails to submit its XBRL exhibit on the filing due date will temporarily lose its timely filer status and, consequently, lose eligibility to access the
markets using short Forms S-3, F-3, or S-8. The SEC rules also clarify that such a registrant will be deemed to not have adequate information available to the public for purposes of Rule 144. However, the registrant would be deemed timely again once it submits the required XBRL exhibit.

4.13 FOREIGN BODIES, AGENCIES AND OTHER ENTITIES USING XBRL

Growing lists of foreign bodies, agencies and other entities have also begun to incorporate interactive data into their disclosure systems, including:

- **Australia**
  Interactive data will be used in Australia’s Standard Business Reporting program, which will simplify and expedite the reporting process for Australian companies reporting to multiple government agencies.

- **Belgium**
  Interactive data is currently required by the National Bank of Belgium’s Central Balance Sheets Office for standardized annual accounts filed with it by Belgian companies.

- **China**
  The Shanghai and Shenzhen stock exchanges have developed XBRL taxonomies for listed companies and mutual funds.

- **Committee of European Banking Supervisors (CEBS)**
  CEBS is developing taxonomy for the Common Solvency Ratio Reporting Framework (COREP) and taxonomy for Financial Reporting (FINREP) for credit institutions that use International Accounting Standards or International Financial Reporting Standards for financial statements.

- **Ireland**
  Irish reporting companies are using interactive data in quarterly industry surveys issued by the Central Statistics Office.
- **Japan**
  Financial services companies are using XBRL to report monthly balance sheet information to the Bank of Japan. Thousands of listed companies are submitting earnings reports and corporate governance reports in XBRL format to the Tokyo Stock Exchange.

- **Singapore**
  Singapore’s Accounting and Corporate Regulatory Authority (ACRA) is requiring companies to file their financial statements in an XBRL interactive data format.

- **Spain**
  The Securities Commission of Spain (CNMV) began requiring the use of XBRL in 2005 for financial statements reported by listed companies. Mutual funds are also now using XBRL to report financial statements and details of their portfolios to the CNMV.

- **Sweden**
  Small and medium-sized companies are filing company reports in an XBRL format with Sweden’s Companies Registration Office.

- **United Kingdom**
  The United Kingdom’s Companies House launched a project to accept company accounts in XBRL format from audit-exempt UK companies. HM Revenue and Customs launched an online service to accept company tax filings in XBRL format.

- **United States**
  Banks submit call reports to the Federal Deposit Insurance Corporation (FDIC) in an XBRL format.
SUMMARY

This chapter describes the XBRL that is an innovation in internet financial reporting in the world and the legal execution of XBRL. XBRL stands for Extensible Business Reporting Language. It is a language for the electronic communication of business information, providing major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using business information.

Growing lists of foreign bodies, agencies and other entities have also begun to incorporate interactive data into their disclosure systems. In India, Ministry of Corporate Affairs has implemented XBRL filling. According to the MCA General Circular No. 09/2011, it has been decided by the Ministry of Corporate Affairs to mandate certain class of companies to file balance sheets and profit and loss account for the year 2010-11 onwards by using XBRL taxonomy. The Financial Statements required to be filed in XBRL format would be based upon the Taxonomy on XBRL developed for the existing Schedule VI, as per the existing, (non converged) Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006.

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