



Staff Comments on XBRL Financial Statements

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Topics for today

1. XBRL programs at the SEC,
2. What we have heard from the market,
3. Staff Observations on XBRL financial statements, and,
4. 2011 Taxonomy.

Overall XBRL Programs at SEC

Three XBRL programs:

- 1. XBRL Financial Statements,**
- 2. Nationally Recognized Statistical Rating Organization (Credit Rating Agency),
and,**
- 3. Mutual Fund Risk Return information.**

Overall XBRL Programs at SEC

The data is used within the agency by piloting various uses at the Divisions for purposes such as:

- 1. Compliance with various XBRL rules, and,**
- 2. Data Analysis.**

What we have heard from the market

Treat the creation of XBRL as you would any other major project:

- ❖ **Set a timeline**
- ❖ **Engage the right people**

What we have heard from the market

Engage the right people and ensure they have time to spend on the process:

- ❖ **Board and Committees,**
- ❖ **Senior Management,**
- ❖ **SEC Counsel,**
- ❖ **Software vendors,**
- ❖ **Contractors,**
- ❖ **Service providers, and,**
- ❖ **Filing agent.**

What we have heard from the market

Financial Reporting team should consider:

- ❖ **Use the test submission process and the previewer on the SEC web site to regularly check the document during the preparation process. Particularly important for self filers.**
- ❖ **Correcting issues during the process rather than trying to fix issues at the last minute.**
- ❖ **Where there are issues with the taxonomy comment.**

Staff Observations

Three main areas of comment:

- 1. Negative Values,**
- 2. Extended Elements, and,**
- 3. Axis and Members.**

Staff Observations - Negative Values

Most elements are designed to be entered with positive values.

If an element describes a one way financial reporting concept (e.g. cost of goods sold or dividends paid) the amount should be entered with a positive value.

Staff Observations – Negative Values

For example, the following elements would generally be entered with positive values:

- ❖ Dividends paid in cash or stock,
- ❖ Common or preferred stock issued,
- ❖ Common or preferred stock repurchased,
- ❖ Treasury stock, beginning and ending balances,
- ❖ Treasury stock acquired,
- ❖ Treasury stock reissued,
- ❖ Treasury stock retired,
- ❖ Accumulated depreciation and amortization,
- ❖ Accumulated other-than-temporary impairments,
- ❖ Allowance for doubtful accounts,
- ❖ Amortization of pension costs,
- ❖ Available-for-sale securities in a continuous loss position, and,
- ❖ Available-for-sale securities, gross unrealized losses.

Staff Observations – Extensions

- 1. Extending an element when an existing USGAAP element appears appropriate.**
- 2. Extending because of relatively minor additions or deletions to the USGAAP taxonomy definition.**
- 3. Extending because of the context of an element. FAQ E.19**
- 4. Extending to ensure that the Exhibit 101 formats in a particular fashion.**

Staff Observations – Axis and Member Comments

- ❖ **We noted that a number of filers had not used the “Statement Class of Stock Axis” to declare classes of stock in the financial statements and Document and Entity Information.**
- ❖ **Consolidated Entity Facts: For facts that apply to the Consolidated Entity, do not provide any value for LegalEntityAxis.**
- ❖ **Parent Company Facts: Use domain member element “Parent Company Member” for facts that apply only to the parent holding company, corporate headquarters, or similar legal entity not associated with any specific subsidiary (EFM 6.6.7).**
- ❖ **Subsidiary Facts: Create a separate domain member element for each subsidiary.**
- ❖ **Eliminations: Consolidation Elimination Member on the Legal Entity Axis. (EFM 6.6.8)**

Staff Observations – Axis and Member Comments

- ❖ **We suggest filers utilize the pre-defined table structure included in the taxonomy and use the related line item elements and domain members to the extent they are applicable for their specific circumstances. (FAQ E.16)**

Staff Observations – Reviews

- ❖ **The SEC staff also plans to communicate overall XBRL filing observations from its reviews.**
- ❖ **Although some comments may be communicated to individual registrants, the majority of XBRL comments will be made through a summary report on observations from all XBRL filing reviews.**

2011 US GAAP Taxonomy

Release

- ❖ Elements without changes
- ❖ Release notes:
 - Elements with changes
 - New elements
 - Deprecated elements

Transition

2011 USGAAP Taxonomy

Pre-release – What can you do now?

Phase 1 filers

Phase 2 filers

Phase 3 filers

2011 US GAAP Taxonomy

2012 – What's next?

Contact the SEC

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