ACCOUNTING STANDARDS BOARD

Extensible Business Reporting Language - XBRL

The Institute of
Chartered Accountants
of Pakistan

CA
PAKISTAN

Executive Summary

- Introduction – Why XBRL
- Who uses XBRL; What are the Benefits
- XBRL Eco-system
- Implementation Challenges
- Road Map
- XBRL Pakistan Jurisdiction

Why XBRL

- Open international standard for digital business reporting
- XBRL documents - replacing older, paper-based reports with **more useful**, **more effective** and **more accurate** digital versions
- Provides a language in which reporting terms can be authoritatively defined & standardized
  - Those terms can then be used to uniquely represent the contents of financial statements or other kinds of compliance, performance and business reports
- Allows reporting information to move between organizations **rapidly**, **accurately** and **digitally**
- Opens up a range of new capabilities because the information is **clearly defined**, **platform-independent** and **digital**
- Digital business reports, in XBRL format, **simplify** the way that people can **use**, **share**, **analyze** and **add value to the data**

Benefits of XBRL Reports

- Consistency in reporting across regulatory bodies
- Capital market transparency
- Compliance efficiency & effectiveness
- Accuracy & accessibility
- Reduced administrative burden
- Facilitates easier analysis – flexibility & comparability
- Opens data mining possibilities

Who Uses XBRL?

Regulators — Multiple bodies

- Financial regulators
- Securities regulators & stock exchanges
- Business registrars
- Tax authorities
- Statistical & monetary policy authorities

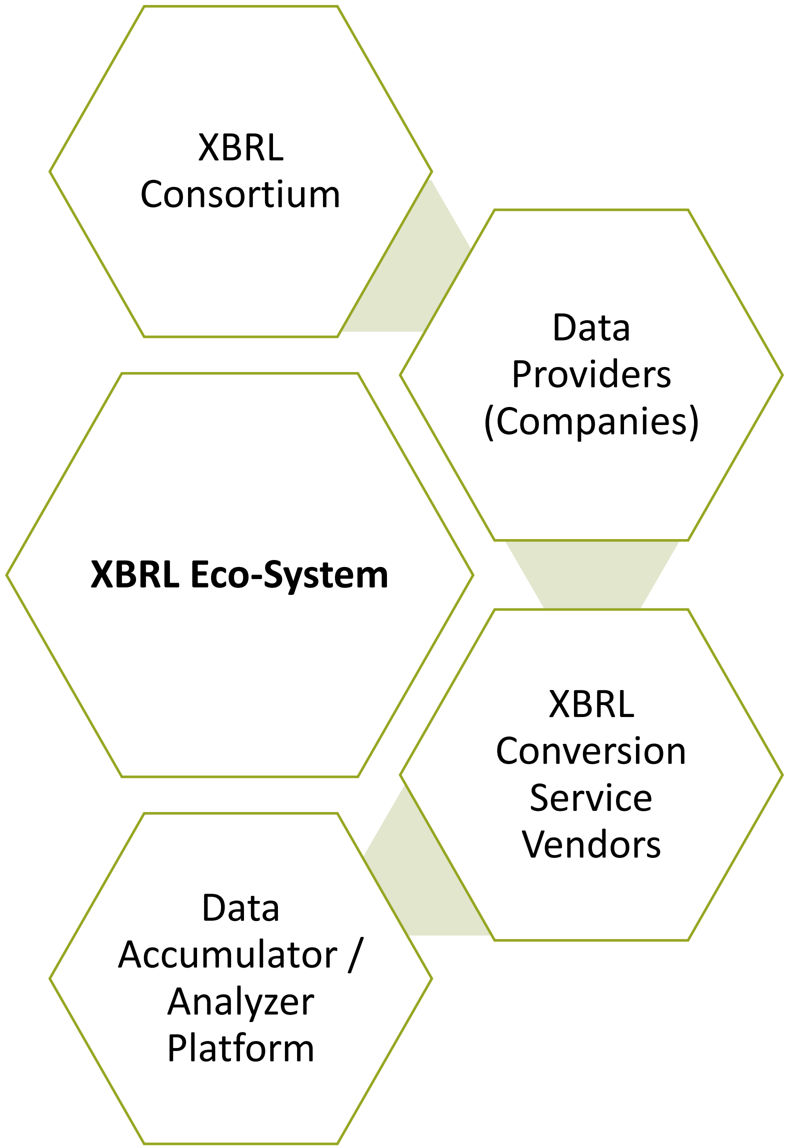
Companies — To meet internal & external reporting needs

Governments — Various agencies

- Harmonizing data definitions or consolidating reporting obligations
- Standardizing the way reports are used across government agencies

Accountants — To support client reporting

Analysts & Investors — To compare potential investments; risk analytics



- **XBRL Consortium (Jurisdiction):** Jurisdictions promote XBRL and organize or sponsor the creation of taxonomies, notably for the main accounting standards for business reporting in their area. They provide an important education and marketing role, explaining the benefits of XBRL to government and private organizations and supporting implementation of XBRL.

- **Data Accumulator / Analyzer Platform:** These are the entities that are responsible to capture the data in XBRL, from data provider (the organizations) and provide different analytical reporting to the investors/stakeholders. This can include organizations like SECP, FBR, etc.

- **XBRL conversion services vendors:** These are the vendors providing services to the data providers (organizations) in converting their financial information in XBRL format, which is acceptable to the Data accumulators.

- **Data Providers:** These are the organizations that will be providing the financial information to the authorities like SECP, FBR etc., in XBRL format.

Implementation Challenges

Regulators

- Political will
- Advocacy
- Resource allocation

Accountancy Body - ICAP

- Aligning taxonomy with local laws
- Resource allocation
- Developing training materials

Companies

- Training cost
- Software integration & implementation cost

IT Vendors

- Developing local software
- Capacity
- Training

Road Map – initial phase of about 3-5 years

High Powered Taskforce

- Identify the institutions that will champion the cause
- Political will and concerted decision required to implement XBRL in Pakistan by apex bodies; SECP, SBP, FBR & PSX

XBRL Implementation Committee

- Make arrangements for awareness seminars & roundtables
- Determine important milestones in the implementation process
- Take up formation & legal structure of Pakistan XBRL Jurisdiction
- Monitor implementation process

ICAP

- Assume advisory role in development of XBRL Taxonomy
- Testing by IFRS Foundation Taxonomy department
- Maintain repository?

SECP / SBP

- Potential starting point - beta testing with voluntary companies; e.g. for filing of primary statements
- Modify filing regulations in line with recommendations of XBRL Committee; including timeline for transition from voluntary to mandatory XBRL reporting

XBRL Pakistan Jurisdiction

Some questions to consider:

- Legal structure
- Shareholders
- Capital contribution
- Revenue sources

Proposed Role:

- Official representative to the international consortium
- Work on:
  - Adoption of XBRL for business reporting
  - Taxonomy development
  - Dissemination of taxonomy
  - Providing education & training

Questions & Answers

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