

Four things I learned Filing in XBRL

I work for a formerly publicly traded company (Beaumont Select Corporations Inc.) and had to publish our financial statements each fiscal quarter. A while ago I decided to get ahead of the curve and publish in XBRL, as part of the voluntary filing program. It seemed like a good idea at the time to learn a new technology and ultimately become proficient in what could be a growing trend. However, there were a few stumbling blocks along the way:

1. There are few (if any) examples

As a Canadian company traded on a Canadian stock exchange (The TSX Venture exchange), we filed using International Financial Reporting Standards (IFRS). While that is the standard for most of the world, it is not the case when it comes to XBRL. The Securities and Exchange Commission (SEC) has been requiring filing since 2009 in XBRL format, but only under US GAAP. IFRS filers were, and until recently, exempt from filing. This meant that there few example to guide our efforts.

The IFRS Foundation happened to have a few examples, but they were limited. There were no examples of how to extend, which is held up as a feature of XBRL. Ironically, while the US taxonomy has four times the elements of IFRS, there is no shortage of US files that need to be extended.

2. There are few open source tools to help

I held the hope that there would be lots of open source help, both to create XBRL files and to read them. After all, this is all about open source. However, I have found only two tools for reading XBRL, and none to create statements. It looks like most of the SEC companies use one or to suppliers to generate files for them, and I doubt that many do this in house. So this really appears to be the property of specialists, and not yet in the hands of accountants.

Since the budget was limited, my choices were to either code by hand, or try to create a tool myself. I chose the latter, using excel macros to take the financial data and write the files needed. It's not pretty, but did work.

3. There are a huge number of rules to follow

I had hoped I could just follow the manual, and make a file. The XBRL 2.1 standard is 209 pages. That does give all the information, but doesn't tell you how to start, or what information you really need. Much of the information provided consists of telling you what you must / may/ must not do.

Once I started much of the time was tripping over these rules and fixing them. Dates must be formatted a certain way within a file, and a different way within the file name. One time I tried using the IFRS presentation file, another time I used my own. Still not sure which one is considered the best way.

Eventually software will come along to apply and enforce these rules, but in the meantime it is difficult to see what rule you are violating.

4. There is no simple Project

If you start learning any type of software development, it is typical to start with a file that is only a couple of lines long. This makes it very simple to see what you need to start, and grow from there. With XBRL, you will need to start with multiple files, all which must be correct to work. The simplest starting point

Ultimately the end goal is duplicating the full extent of the financial statements in XBRL. This means at least three or four reports, multiple time periods, multiple data types. While my six XBRL files added up to under half a megabyte, the files on the SEC web site are typically in the 2 to 10 megabyte range.

The SEC does expect something of a learning curve, as they offer a one-time only 30 day grace period on a corporation's first filing.

While it is possible to publish in XBRL without help, it is not recommended. The lead time alone will make most new filers desperate for a quick answer. Fortunately, there are a number of software firms available to help, and once the financial statements are tagged for the first time, subsequent reports become much easier to produce.

Phil Gaiser