

**Data Quality Committee
In Person Meeting New York, NY
April 6, 2016
Meeting Notes**

Attendees

Committee Members

Mike Starr, Chase Bongirno*, Emil Efthimides Pranav Ghai, Craig Lewis*, Minu Palani*, Campbell Pryde, Lou Rohman, Mohini Singh, Amit Varshney

Absent

Jeffery Naumann

Staff

Ami Beers, David Tauriello, Susan Yount

Observers

Glenn Doggett, Louis Matherne, Seung woo Lee*

**participation by phone*

Welcome

- The Chair welcomed the participants and introduced the agenda.
- The Chair informed the Committee that he provided an update on progress of the Committee's work to the board of XBRL US.
- The XBRL US board approved Lou Rohman as Vice Chair of the Committee. The terms for both Mike and Lou are 3 years.

Minutes Approval

- Motion to approve minutes from February 17, 2016 DQC meeting by Emil Efthimides, seconded by Mohini Singh.
- Vote (For 10, 0 Against)
- Motion passed. February 17, 2016 DQC meeting minutes approved.

Review of Approved DQC Rules on As Filed Data

- Members of the Data Quality Center will receive a list of errors for their customers' filings and will be requested to review the results for any false positive errors. If tagging is determined to be correct, a request will be made to provide a basis for the determination of the correct tagging to the Committee. This will enable the Committee to refine the rules to eliminate any false positives. If the errors are in fact real errors, a request will be made to correct the errors in future filings.
- Susan presented quarterly results (2015 and 2016) of the errors flagged by running the first set of published rules against filings that were submitted to the SEC (DQC Rules: DQC_0004, DQC_0005, DQC_0006, DQC_0009, DQC_0015, DQC_0033, DQC_0036).

- Results included the amount of potential errors per 1,000 facts filed. The results showed a 70% reduction of errors in the first quarter of 2016 versus the first quarter of 2015.
- The most amount of errors in the population were for rule DQC_0015 (negative values).
- This reduction of errors shows awareness by service providers and issuers of the errors in their filings. SEC responses have also had an impact on awareness of errors (e.g., Dear CFO letter).
- A data consumer on the Committee asked how the rules are enforced by service providers? Mike responded that at Workiva they have no ability to change issuer filings if the issuer wants to file it a certain way.
- SEC has stated in a recent speech that errors they noted are extensions, negative values, scaling, incorrect values, incomplete filings, inconsistent dates, missing calculations and no detail tagging.
- Members of the Committee commented that this data shows good progress on compliance with rules. The results will be presented to SEC staff at the next joint meeting. The Committee will communicate this information to the public. Members of the Committee should support communications through their own channels. This communication should be distributed prior to the joint meeting with SEC staff.
 - Press release is possible.
 - Data will need to be accessible on XBRL US website.
 - Process will need to be coordinated among members of Committee.

Action items: add the number of filings included in each quarter into the analysis, determine communication plan for results of findings.

Extensions Workstream

- The Chair stated the mission in the Committee's Charter, which is to improve usability of data provided to SEC. This means developing guidance and developing rules to test compliance with the guidance and to detect input errors.
- A discussion document will cover proposed guidance for extensions on balance sheet and income statement. Guidance may be applicable to other areas. In order to finalize the document to publish for public exposure feedback is needed on concerns and challenges with the approach. Based on input from this meeting and review by the Committee, a discussion document will be drafted and distributed to the Committee for review. The plan will be to issue for public comment in May.
 - Comments from public exposure will be incorporated in an Exposure Draft to be issued August 29th, 2016.
 - Three fundamental building blocks are included in the Guidance:
 - This is not about extensions, but rather how to select standard elements. Understand requirements for disclosure and select the elements that best describe the required disclosure.
 - Materiality is taken into account for the preparation of the HTML financial statements. Regulation S-X includes materiality thresholds that should be taken into account for tag selection.

- Location does not matter. There is limited room on paper for disclosure of information. Tagging of information does not matter whether on face of statements or within footnotes.
- It will be important for any guidance that is developed to have automated validation rules to test for compliance with the guidance.
- XBRL International Entity Specific Disclosure Task Force (XII Task Force) is also working on this topic. The XII Task Force has a different focus. While the DQC is focused on guidance for limiting extensions, the XII Task Force is focused on the best practices to manage extensions. Limits on extensions will vary by regulator. Louis Matherne is a co chair of the XII Task Force and he stated that the group is reviewing different projects from various jurisdictions around the world. Many projects have built in mechanisms to provide entity specific disclosure without extensions. The group is not well represented from the data consumer community.
- Preliminary conclusions from the Extensions Workstream include:
 - Extensions are a serious problem for users.
 - Some filers believe that extensions provide more data to users.
 - The location of a disclosure in the financial statements is irrelevant to how the disclosure should be tagged.
 - Element selections should not be tagged differently for face financial statements and the footnotes for a given disclosure. This increases extensions and creates complexity. Will need a unified model for data without a geography component.
 - Disclosures required by Regulation S-X should be included in the US GAAP taxonomy and therefore tagged with standard tags. The underlying disclosure requirement should be used to determine appropriate tag selection.
 - Materiality in the financial statements is determined by US GAAP for public companies (FASB Codification and Regulation S-X). XBRL element selection must follow the materiality used to create the statements (Regulation S-T 405(b))
 - Regulation S-X provides line items that are required to be disclosed in financial statements if material (greater than 5% of total assets must be separately disclosed). Immaterial amounts may be combined.
 - If disclosure is required by Regulation S-X, FASB Codification or Common practice in general or in industry use a standard element.
 - Regulation S-T(c)iii requires use of the most recent Taxonomy
 - Special identified cases where extensions are required include:
 - Two or more items that require the same standard elements
 - Aggregation – total or subtotal or collection of individual items not separately disclosed.
- Test Case 1 – standard elements exists for aggregation
 - If the combined disclosure of the accounting concept is a required item per Regulation S-X then tag with a standard element.
- Test Case 2 – combining material and immaterial components
 - If components of the disclosure are not reported in balance sheet or footnotes, then use standard element based on the material item.

- If the material item changes year over year, the tag will need to change based on the material item.
- EFM has a requirement to tag a line item across years with the same tag, this guidance may conflict.
- This is a significant change for filers today many filers make extensions for this.
- Test Case 3 – aggregation of immaterial amounts
 - If components of the disclosure are not reported in balance sheet or footnote and no standard element exists for the aggregation of the immaterial amounts, then use the standard element for “Other” (e.g., other noncurrent assets)
 - Current FASB FAQ states that only use the “Other” tag if the term “other” is used in the line item. This guidance would conflict.
 - Will also need to understand the nature of the disclosure. If qualitatively, the disclosure has a material impact, then the material item should be used to select tag (may impact test case 4 also).
- Test Case 4 – standard element already used
 - Same scenario as Test Case 3; however, standard element for “Other” is already used in filing.
 - Create extension for the aggregation and connect extension to “Other”.
 - One member expressed concern about connecting the extension to “Other” at all times.
 - One data consumer member expressed that Test cases 3 and 4 should use the same approach (extension with a connection or anchor).
- Test Case 7 – no standard element for aggregation
 - Components of the disclosure are separately reported on balance sheet or footnotes
 - Standard elements exist for components but no standard element exists for the aggregation (no required disclosure for company specific aggregations)
 - Use standard elements to tag components.
 - Do not tag the aggregation, but include the components in the calculation for the statement.
 - Are aggregations important to users? There was a concern that consumers would not know that the aggregate element exists when using the data.
 - How would the aggregations be handled across periods? The detailed components may be disclosed in a 10K but only the aggregation will be disclosed in the 10Qs. Does an immaterial difference among the periods impact analysis? Discussion paper must ask the question and fully explain issue.

Next Steps – The Committee will continue discussion on a call to be scheduled. Service providers should test flowchart assumptions with real data to provide challenges and any issues with the proposed guidance. Draft discussion document will be submitted to Committee for review and a call will be set up a week before the May 2016 DQC meeting to discuss comments on the document.

Action items – Follow up with SEC on application of Regulation S-X for combining immaterial items on the balance sheet (regulation is applicable for income statement [revenues]).

Contributed Rules Workstream

- DQC_0013
 - Nonnegative rule for tax reconciliation items. This rule has a prerequisite for it to run. If the element, “net income before tax” is negative, the rule will not run. However, many companies use different elements to tag the concept of “net income before tax”. The rule has been revised to pick up the alternative ways that this concept is tagged (e.g., with minority interest, foreign, domestic). The logic in the spreadsheet has been updated in the rule to account for these changes.
 - Motion to approve changes to rule DQC_0013 by Lou Rohman, seconded by Pranav Ghai
 - Vote (For 10, 0 Against)
 - Motion passed. Rule DQC_0013 with changes approved.
- DQC_0015
 - Based on running the data, the Working Group proposes amendments to the existing rule.
 - Add the following Axis/Members to the member exclusion list:
 - *ChangeInAccountingEstimateByTypeAxis*
 - *PartnerCapitalComponentsAxis*
 - *PartnerTypeOfPartnersCapitalAccountAxis*
 - *ChangeDuringPeriodFairValueDisclosureMember* on the axis *FairValueByMeasurementBasisAxis*
 - *CorporateAndOtherMember* on the axis *StatementBusinessSegmentsAxis*
 - *CorporateAndReconcilingItemsMember* on the axis *ConsolidationItemsAxis*
 - *CorporateReconcilingItemsAndEliminationsMember* on the axis *ConsolidationItemsAxis*
 - *CorporateAndEliminationsMember* on the axis *ConsolidationItemsAxis*
 - *EliminationsAndReconcilingItemsMember* on the axis *ConsolidationItemsAxis*
 - *CorporateMember* on the axis *StatementBusinessSegmentsAxis*
 - *AllOtherSegmentsMember* on the axis *StatementBusinessSegmentsAxis*
 - Remove the following Line Items from the rule:
 - *IncomeTaxReconciliationTaxExemptIncome*
 - *NoncashOrPartNoncashAcquisitionNetNonmonetaryAssetsAcquiredLiabilitiesAssumed1*

- *RealEstateAndAccumulatedDepreciationCostsCapitalizedSubsequentToAcquisitionImprovements*
 - *RealEstateAndAccumulatedDepreciationCostsCapitalizedSubsequentToAcquisitionCarryingCosts*
 - *SECScheduleIIIRealEstateAndAccumulatedDepreciationCostsCapitalizedSubsequentToAcquisitionLand*
 - *SECScheduleIIIRealEstateAndAccumulatedDepreciationCostsCapitalizedSubsequentToAcquisitionBuildingsAndImprovements*
 - *ServicingAssetAtAmortizedValueValuationAllowance*
 - Motion to approve amendments to rule DQC_0015 by Lou Rohman, seconded by Mohini Singh
 - Vote (For 10, 0 Against)
 - Motion passed. Rule DQC_0015 amendments approved.
- Working Group proposes additional elements to be added to DQC_0015. Additional elements provided in List of Elements spreadsheet.
 - Motion to approve additional elements to be added to rule DQC_0015 by Emil Efthimides, seconded by Mohini Singh.
 - Vote (For 10, 0 Against)
 - Motion passed. Rule DQC_0015 additional elements approved.
- DQC_0001
 - Changes to rule form originally approved by Committee to simplify the presentation of the information. A separate spreadsheet was created to capture the list of restricted members allowed on each axis and the specific axis/members were removed from the form. Guidance included in footnotes on the original form was moved to a separate Guidance document.
 - Motion to approve DQC_0001 for new format of rule form by Lou Rohman, seconded by Emil Efthimides.
 - Vote (For 10, 0 Against)
 - Motion passed. Rule DQC_0001 approved.
- Guidance for Modeling Axes/Members (DQC_0001, DQC_0041) – Document provides guidance for using members on axes allowed in the rules.
 - Products and Services Axis can have extensions. The guidance includes all members that were used with the Products or Service Axis (not extensions) and are allowed. The Guidance/Rule are missing “Aircraft” and should be added.
 - Hedging Designation Axis – The FASB implementation guide allows for Managed Hedges. Will need to have offline discussion with FASB.
 - Motion to approved guidance without Product and Services Axis and Hedging Designation Axis sections by Mike Starr, seconded by Lou Rohman.
 - Vote (For 10, 0 Against)
 - Motion passed. Guidance for Rule DQC_0001 excluding the Product and Services Axis and Hedging Designation Axis approved.

Action items – add aircraft members to Products or Services Axis, discuss Managed Hedging Designation with FASB and update guidance accordingly.

Topics for Meeting with SEC Staff

- Application of DQC rules with “As Filed Data” – service providers will review data prior to meeting. If there are service providers observing this meeting that want to participate in the discussion, email Ami Beers or Mike Starr to indicate interest in participating.
- Element Selection and Extension Management – provide an update on status of the discussion document.
 - Users on the Committee are supportive of potential use of connections for extensions
- Process for feedback and comments on XBRL-related changes to EDGAR. DQC had provided a comment letter on this topic to the SEC staff. In the letter, the DQC had recommended that the SEC obtain feedback from various stakeholders prior to the SEC accepting inline XBRL.
- The Chair expressed that we may need more frequent meetings with the staff in the future, possibly move to quarterly meetings rather than semiannually.

Wrap up

The Chair communicated that the next meeting will be held in person in Washington D.C. on May 17, 2016 9AM. The meeting with the SEC staff will be held on May 18, 2016 at 10AM.

Call will be set up for follow up on Extension discussion. May 10th call will also be scheduled with the Committee to obtain feedback on the Draft of Discussion document on Extensions.

The Chair thanked all members and observers.

Meeting adjourned 3:00pm.