

**Data Quality Committee  
In Person Meeting  
Washington D.C.  
September 29, 2016  
Meeting Notes**

**Attendees**

Committee Members

Mike Starr, Chase Bongirno\*, Emil Efthimides Pranav Ghai, Emily Huang, Campbell Pryde, Lou Rohman, Mohini Singh\*, Steve Soter, Amit Varshney\*

Absent

Craig Lewis, Minu Palani, Jeffery Naumann

Staff

Ami Beers, David Tauriello, Marc Ward, Susan Yount

Observers

Louis Matherne\*

*\*participation by phone*

**Welcome**

- The Chair welcomed the participants and introduced new members to the DQC and introduced the agenda.
- Steve Soter and Emily Huang are new members on the Committee.
- The SEC Professionals Group is forming a committee to provide feedback to DQC.

**Element Selection**

- Revenue Analysis – Analyzed revenues for S&P 500 companies to understand tags used for revenues in order to validate DQC guidance.
  - Identified values for revenue in income statement (with adjustments), compared values in income statement to data aggregators' values and explained the differences.
  - Problems encountered:
    - Incomplete calculation linkbase

- Included intercompany sales within revenues
- Inconsistent use of dimensions
- Revenues reported inconsistently among companies/industries
- Analyzed extensions used by companies and found that standard elements should have been used in most cases.
- Observations
  - Adhering to DQC Guidance would significantly reduce extensions.
  - A standard element needs to be added excise taxes excluded from sales.
  - Guidance currently states an extension should be used for any aggregate amount for which there is no standard element. Revise guidance to clarify that extensions should not be used for certain totals (e.g., Total Revenues, Total Cost of sales).
- Guidance Analysis
  - Applied guidance to revenue disclosures of 242 companies.
  - Identified a few gaps in the taxonomy.
  - Reduced extensions rate by 66% (extension rate reduced from 15% to 5%).
  - Standard elements were changed by the same rate as changes to extensions.
  - Element selection process was fairly mechanical, "parent" element easy to identify for extensions.
  - Must be able to rely on the taxonomy hierarchy in order for filers to consistently apply the guidance and for users to correctly roll up the elements.

***Action Items:***

- ***Service providers to test guidance on revenue for companies that were analyzed and compare results.***
- ***Revise guidance to clarify that extensions should not be used for certain totals.***
- ***Prepare example of proposed modification to Taxonomy to group elements based on S-X and industry disclosure requirements and to include elements for standard industry presentations.***

- Element Selection Discussion Document
  - Positive preparer feedback received from Workiva User Conference on concepts presented.

- Preparers welcome new guidance and anticipate applying guidance to filings.
- Preparers would welcome having to reduce judgment needed in element selection (e.g., provides an easier solution to tagging for preparers that do not have adequate resources to devote to XBRL tagging).
- Comments on Document received from DQC members and observer
  - Comparability is important, consistent tagging will drive comparability.  
***Resolution: Add explanation regarding importance of consistent tagging and the resulting enhancement to comparability, and emphasize that extensions are a problem for data consumers because, in addition to not being machine readable, they limit comparability.***
  - XBRL and the SEC program have never been about “moving the normalization of financial data from outside third parties to the preparers of the data to improve the data’s accuracy.”  
***Resolution: The referenced sentence will be deleted and replaced with the following quote from the SEC's Final Release on Interactive Data.***  
***"[t]he data service provider makes interpretive decisions on how to aggregate reported financial items so that they can be compared across all companies. Consequently, when a subscriber of the commercial product offered by a data service provider uses this aggregated data, it can expect consistent interpretation of the reported financial items. In contrast, a requirement for issuers to submit interactive data information would require the issuers to independently decide within the confines of applicable requirements which financial “tag” best describes each financial item – lessening the amount of interpretation required by data service providers or end-users of the data."***
  - Linking extensions to standard elements is a good idea; however, new labels for “as reported descriptions” should be created to ensure accurate search and navigation functions.  
***Resolution: Clarify that label extensions should be used for a required disclosure where the label in the HTML financial statements provides additional descriptive information about that disclosure. (Also refer to resolution to the next comment.)***
  - Current guidance states that standard elements should be used; however, there should be ability to provide additional information about the

element. For the Auction Fee Revenue example in the document, the guidance states that the standard element for services revenues should be used. However, should it be extended and anchored (with dimensions or other mechanism) to provide the additional (more specific) information (about auction fees) to preserve fidelity of information provided in the printed financial statement?

***Resolution: DQC preliminarily concluded that in this example where the standard element for services revenue should be used, that the filer should use the label extension, Auction Fees. The DQC also agreed that feedback from other data consumers should be elicited to confirm the its preliminary conclusion.***

- Structures under consideration for linking extensions - use of general/special arc role or dimensions?
  - General/special will introduce a new approach to all filers.
  - Dimensions will not always sum to total.

***Action Item: Obtain more user feedback on preferred mechanism(s) to link extensions.***

### **FASB Taxonomy Mapping Exercise**

- DQC members/staff met with FASB staff to discuss a project to collaborate to improve references in the taxonomy.
- Disclosure requirements are fundamental to element selection.
- Codification should be linked to taxonomy.
- The primary approach for element selection should start from the disclosure requirement and link to the appropriate elements.
- Discussions with SEC may result in needed changes to EFM to emphasize that references have higher priority in element selection.
- Inline XBRL highlights importance of accurate references because searches of data can be conducted based on disclosure topic in the inline XBRL viewer.
- Topical areas will be analyzed (disclosures such as: pensions, income taxes, etc.)
- Determine consistent way to model disclosures.
- DQC will provide dedicated staff to project.
- Working Group that has been reviewing contributed rules will be able to help with the effort.
- Timeline has not yet been established, but it is important that this be done as quickly as possible.
- FASB staff has developed a presentation and document for its project plan

- This effort will support the goal of improving quality and provide an easier tagging process for preparers.

***Action Item: Distribute to FASB project plan to DQC for review.***

### **Contributed Rules/Public Review**

- Rules for Final Release
  - Rules have undergone public review and comments have been received and analyzed.
  - DQC\_0001
    - Currency Axis - added members for Venezuelan currencies.
    - Product and Services Axis - added PublicUtilitiesInventoryWaterMember, PublicUtilitiesInventoryPropaneMember, and ResidentialRealEstateMember.
    - Consolidation Items Axis – added OperatingSegmentsAndCorporateNonSegmentMember as an allowed extension.
  - DQC\_0013
    - Remove element IncomeTaxReconciliationNondeductibleExpenseShareBasedCompensationCost.
  - DQC\_0015
    - Remove element RecognitionOfDeferredRevenue.
    - Remove element MinorityInterestDecreaseFromRedemptions.
    - Remove element DefinedBenefitPlanFairValueOfPlanAssets.
    - Add StatementBusinessSegmentsAxis to the listing of member exclusions (DQC\_0015\_MemberExclusions).
  - Proposed effective date for Final Release of Rules is January 1, 2017
  - Motion to approve Final Release of Rules with above changes and effective date of January 1, 2017 by Emil Efthimides, seconded by Lou Rohman
  - Vote (For 10, 0 Against)
  - Motion passed. Final Release of rules approved with changes and effective date of January 1, 2017
- Rules for Public Review (Q4 2016)
  - Rules to be exposed for public review in October 2016
  - DQC\_0015
    - additional list of elements proposed

- total rule will have 6,043 elements
  - DQC\_0001 – added 3 new axes to rule/guidance
    - Statement Scenario Axis
    - Statement Equity Component Axis
    - Range Axis
  - Motion to approve updates to DQC\_0015 and DQC\_0001 for public review by Lou Roman, seconded by Emil Efthimides
  - Vote (For 10, 0 Against)
  - Motion passed. Update to rules DQC\_0015 and DQC\_0001 for public review approved.
- Rule for Development
  - DQC\_0008 – Reversed Calculation - identifies cases where calculations are reversed, 3000 errors identified.
  - DQC\_0011 – Dimensional Equivalentents – checks values of line items against dimensions.
  - Motion to approve development of rules DQC\_0008 and DQC\_0011 by Mike Starr, seconded by Lou Rohman
  - Vote (For 10, 0 Against)
  - Motion passed. Development of rules DQC\_0008 and DQC\_0011 approved.

### **Effect of “Approximately” on Element Selection**

- Filers extend for amounts that are modified with “approximately”.
- Any qualifier to express that an amount is an accounting estimate or similar qualifier (e.g., approximately) should not affect element selection.

***Action item: Update Element Selection guidance to address this topic.***

### **Priorities**

- Identify topical areas of priority for DQC, a survey was distributed to DQC to poll priority topics.
- The plan is for each topical area to
  - map disclosure requirements to taxonomy,
  - to conclude on how to standardize the modeling and
  - prepare (1) guidance that illustrates how a disclosure-centric approach to tagging XBRL data is done regardless of how the disclosure requirement is presented and (2) validation rules to test for compliance with the guidance.

- Compensation, Debt and Statement of Cash Flows were top categories voted by DQC.

***Action item: DQC agreed to focus on 2 areas – Compensation and Cash Flows***

### **CFA Institute Survey Results**

- Conducted survey in August 2016, 362 respondents
- Level of awareness – 55 percent of respondents remain unaware of XBRL
- Which data attributes are important – Reliability is considered the most important financial reporting attribute.
- Impact of interactive data on analysis – timeliness of valuation, improves upload of data into business analysis.
- Majority of respondents receive most of their data from third party data providers.
- Audit – 50% believe XBRL should be part of financial statement audit, 50% believe XBRL should be audited as separate engagement.
- Final document of results of survey is being accumulated and will be published.

### **2017 US GAAP Taxonomy**

- Taxonomy is currently available for public comment, final comments due by end of October 2016.
- FASB is specifically soliciting feedback on changes from prior year, because FASB can make changes to the final release of the taxonomy for 2017.
- FASB will have webinars to explain changes in taxonomy.
- A subgroup of the DQC will convene to issue a comment letter to FASB.

***Action Item: Subgroup (Lou Rohman, Campbell Pryde, Christian Tan, Anna Kwok, Joan Berg) to draft/submit comment letter on behalf of DQC.***

### **Future agenda topics**

- Next meeting will be November 2016, will need to coordinate with SEC. Meeting will be in Washington D.C. according to SEC availability.
- New discussion document will be distributed to DQC for review.
- Start working on topical areas.

- DQC to have a call in December to review feedback from public review and approve rules for final release.

Meeting adjourned 3:30