

**Data Quality Committee
Webcall
November 29, 2016
Meeting Notes**

Attendees

Committee Members

Mike Starr, Chase Bongirno, Emil Efthimides Pranav Ghai, Craig Lewis, Campbell Pryde, Lou Rohman, Mohini Singh, Steve Soter, Amit Varshney

Absent

Emily Huang, Minu Palani

Staff

Ami Beers, David Tauriello, Susan Yount, Marc Ward

Observers

Louis Matherne, Andie Wood

Welcome

- Chair welcomed Committee members.
- Introduced new permanent observer to the DQC meetings. Andie Wood, IFRS, Co-chair of XBRL International Entity Specific Disclosure Task Force. The DQC will leverage the work of this Task Force for guidance on extensions.

Minutes Approval

- Motion to approve minutes from September 29, 2016 DQC meeting, by Campbell Pryde, seconded by Lou Rohman.
- Vote (For 10, 0 Against)
- Motion passed. September 29, 2016 DQC meeting minutes approved.

Proposed Framework to Ensure Consistency and Comparability of XBRL Data (formerly Framework for Element Selection and Extension Use)

- The Framework and the Application Guidance document has been separated into two separate documents based on feedback received.
- The Framework is intended to guide DQC work in reviewing required disclosures by topical area.

- Guiding Principles have been updated in the Framework and include an emphasis on consistent data modeling which will lead to greater comparability and simplification in tagging.
- Principles are listed in front of document and will be guidelines for guidance developed by DQC which will provide consistency in guidance.
- Framework consists of six Guiding Principles.
 - *Selection of standard elements must be based on the disclosure requirements under U.S. GAAP for public companies*
 - *The data modeling for required disclosures should be standardized with a bias for simplification.*
 - *There must be only one way to tag a disclosure.*
 - *The use of extensions must be limited to defined, specific cases.*
 - *Extensions, where permitted, must be linked to a standard element in the U.S. GAAP Taxonomy.*
 - *The application of materiality to element selection must be the same as applied in preparing the printed financial statements.*
- Framework will be issued for public comment along with Application Guidance for Balance Sheet and Income Statement.
- Document will be shared with subgroup of SEC Professionals Group
 - This subgroup was formed in order to provide feedback to DQC. This subgroup includes 17 participants (in various industries including: financial services, retail, oil/gas, technology).

Action item - distribute framework to DQC

Application Guidance on Balance Sheet and Income Statement

- Document is being revised to separate out Framework from Application Guidance.
- Content related to element selection will be retained in Application Guidance. All content related to data modeling will be removed from document.
- New section added provides example of how to attach standard element to a disclosure requirement.
- Analysis of 200 companies in S&P 500 for Net Income showed approximately one third companies would change element for net income based on new guidance.
- Feedback needed on Revenue Analysis prepared by Workiva by other service providers on DQC. FASB staff will also provide feedback on part of the analysis on revenue.
- A few issues will be discussed with the SEC staff related to how industries report revenue (e.g., oil/gas aggregate other items in revenue).
- New draft will be ready in mid-December.

Action Items -

- **Service providers/FASB to test guidance on revenue for companies that were analyzed and compare results.**
- **Distribute Application Guidance document to DQC for review.**

Contributed Rules/Public Review

- Rules for public review (Q4 2016) open until December 13th.
- Three comments received to date for Negative Value Rule (DQC_0015).
 - Remove from rule -
 - ImpairmentOfLongLivedAssetsHeldForUse
 - OtherOwnershipInterestsCapitalAccount.
 - NonInvestmentAssetsLessNonInvestmentLiabilitiesPercentOfNetAssets from non-negative concepts.
 - Add to rule –
 - NonInvestmentAssetsLessNonInvestmentLiabilities
- Motion Motion to approve changes to rule DQC_0015 by Lou Rohman, seconded by Emil Efthimides
- Vote (For 10, 0 Against)
- Motion passed.

Action Item - Campbell to confirm with working group the effective date (January 1, 2017) for Rules under public review. (Subsequently confirmed)

Entity Specific Disclosure Task Force

- Andie Wood provided a status of the work of the Task Force (task force under XII Best Practice Board).
- An entity-specific disclosure is defined as a disclosure that is specific to an entity and not found in base taxonomy and does not exist in a regional taxonomy.
- XBRL needs to be able to accommodate entity-specific disclosures to
 - Allow entities to provide relevant information.
 - Allow users to analyze how an entity may be different.
- Purpose of task force
 - Investigate why entity-specific disclosures are created.
 - Document common user difficulties.
 - Define requirements for syntax solutions, if necessary.
- Initial scope is entity-specific disclosures in financial reporting (numeric/monetary disclosures). Interaction with filing rules related to XBRL syntax but not overall rules for what to tag and how to identify the correct item.

- Summary of Work
 - Presentations have been received from regulators around the world to describe current practices (US, Singapore, India, Netherlands, Denmark, UK).
 - Documentation of business cases - how problems are currently being addressed.
 - Discussions of different mechanisms in XBRL that are being used (e.g., inline XBRL, dimensions, etc.).
 - Discussion of additional syntax for anchors (linking entity-specific disclosures to base taxonomy).
- Business Cases
 - Disaggregation of a base taxonomy item
 - Components of the disaggregated item may be entity-specific.
 - Includes cases where the base taxonomy item is not reported (a higher level aggregation may be reported).
 - The sum of the reported components may not equal the value of the base taxonomy item (for example, if the base value includes immaterial values that are not disclosed separately).
 - Aggregations (entity-specific subtotal)
 - The items being aggregated may be entity-specific items or base taxonomy items or a mixture of both.
 - Not all components of an entity-specific aggregation are necessarily disclosed separately in a report. (Under US GAAP for public companies, the components would not be disclosed separately only if they are deemed to be immaterial.)
 - The entity-specific aggregation may be a subtotal with further aggregation.
 - Standalone items (also referred to as “orphan” elements) that have no connection to a standard element are rare. Still looking for examples in this area. (The DQC’s analysis of as-filed data submitted to the SEC has not found any extensions for so-called standalone items or orphan elements.)
 - Dimensions used to provide information on properties rather than disaggregation of items. This area will need to be looked at further.
- XBRL mechanisms for entity-specific disclosures
 - Base taxonomies (without requiring entity extension) can support some tagging of entity-specific disclosure, e.g., typed dimensions.
 - Information available for interpreting entity-specific disclosures can be influenced by report format:
 - Because Inline XBRL enables the XBRL tags to be embedded in the HTML financial statements, it can be easier when Inline XBRL is used to

more readily get more information about an extension than when HTML financial statements and XBRL data are filed separately.

- Use of dimensions - mainly for business cases involving disaggregation
 - Explicit (generic) dimension – associated with a name or description line item.
 - Typed dimension - general line item provided in base taxonomy to tag entity-specific components where required.
 - Used by UK tax authority limitations include:
 - Do not keep label information, use integers instead.
 - Need to anticipate the number of entity-specific disclosures in advance, not predefined.
- Preparer extension taxonomies can also support entity-specific disclosures with existing or new “anchoring” mechanisms.
 - Assume the disclosure is valid.
 - Assume base taxonomy is designed well.
 - Use of existing linkbases
 - Calculation linkbase
 - Links provide a better definition of meaning than the presentation linkbase.
 - Roll up of information important to users.
 - Often not complete. (Because, if it were complete, it would cause a warning message, preparers do not include.
 - Dimensions not well covered.
 - No links for items that are not reported (only provide links for item present within the filing).
 - Presentation link information is possible but does not always reflect a roll up.
 - Task Force is considering whether to make the following recommendations to update the specification for consideration by the XII Standards Board or to revise established policy for consideration by regulators.
 - Update to calculation linkbase specification to allow incomplete roll ups.
 - Update the specification to make it clear when domain members add up.
 - Policy to allow the inclusion of unreported base taxonomy items into linkbase relationships to provide context.

- Anchoring is an additional link in an extension taxonomy linkbase between a tagged entity-specific disclosure and a base taxonomy item.
 - Provides direct link between extension taxonomy item and appropriate base taxonomy item, no need to work via indirect links
 - Use existing XBRL syntax, no specification changes required.
 - Most useful without calculation and where the most appropriate base taxonomy item is not reported.
 - May not provide useful additional information if other linkbases are present depending on how other linkbases are used.
 - Might require guidance to help preparers identify the correct base taxonomy item.
 - Open questions
 - Is there an optimal meaning for the anchoring link?
 - When is it necessary to recommend use of anchoring links?
 - Should the recommendation be that anchoring links should always be provided for entity-specific disclosures?
 - In response to a question, Ms. Wood stated that consideration of the general-special arc role as a potential anchoring mechanism has not been discussed yet.
- Preliminary Conclusions
 - Regulators around the world already handle entity-specific disclosures in different ways.
 - If users only need limited information, the context for tagged data is more readily found when Inline XBRL is used and dimensions can be used for roll up information.
 - Entity-specific descriptions and other relationships can only be consumed if there is a preparer extension taxonomy.
 - Preparer extension taxonomies, that have a calculation linkbase, provide a mechanism to link to the base taxonomy. However, there are limitations to using the calculation linkbase (i.e., base taxonomy item is not reported, if warning message in validation, then preparers don't provide the calculation arc role)

- Members of the Task Force believe, but have not confirmed, that users would prefer a single place to look for entity-specific disclosure links.
- Anchoring would be a direct link and could be used alongside existing linkbases or as the only linkbase provided with the extension taxonomy (however, there is an open question about whether it would be useful on its own).
- XBRL syntax for dimensional information is complicated and the impact of its complexity is under discussion.
- Desired Feedback from DQC
 - Range of XBRL options discussed
 - Ideas for improving the use of existing XBRL linkbases in extension taxonomies
 - Whether a linking mechanism dedicated to anchoring' entity-specific disclosures to the base taxonomy should be provided.
 - Are there cases when multiple anchoring links would be useful or would that lead to too much complexity?
 - Is there is an optimal meaning for the anchoring link?
 - Should the recommendation be that anchoring links are:
 - only used where necessary to complete user information?
 - always be provided for entity-specific disclosures in order to avoid complicated additional rules for preparers?
- Members of the DQC discussed the reason for discussing anchors is to eliminate the need to infer the meaning of data. There was discussion around whether it would be helpful to have a single place for all relationship information. Anchoring should provide a mechanism to line extensions to a standard element in the base taxonomy.

Action Item – Feedback is requested from data consumers on the DQC.

DQC Comment Letter 2017 US GAAP Taxonomy

- Working group drafted initial letter to the FASB. FASB updated the taxonomy since initial letter was drafted.
- Ami, Campbell, Lou, Susan and Mike met with staffs of FASB and the SEC to discuss following concerns and comments regarding timing of changes in taxonomy and readiness of service providers to support the changes.
 - Extensible enumerations – should not be included in 2017 update, but rather they should be included in the 2018 taxonomy and be supported by training programs, guidance and rules.
 - Typed Dimensions – the 2017 taxonomy will include one date type typed dimension in revenue. The letter includes an appendix providing recommendations on the appropriate use of typed dimensions in the taxonomy in the future.

- Templates – most service providers have indicated that they expect their customers will not use the templates.
- Letter is being finalized and will be distributed for DQC review.

Action item - Distribute revised letter to DQC for fatal flaw review (Subsequently, the letter was revised because as a result of our informal feedback, significant changes were made to the Final 2017 taxonomy released for SEC review and approval and our concerns were addressed. The revised letter was distributed to the DQC and issued to the FASB.)

SEC Meeting

- DQC will meet with the SEC staff. The agenda is broken out into two sections (senior officers and a staff discussion).
- The agenda includes:
 - Framework for Element Selection
 - Feedback on the Voluntary Inline XBRL Filing Program
 - Frequency of Future meetings –quarterly meetings will be requested
 - Contributed Rules update/status
 - Update on Error Rates for Targeted Rules
 - Proposed 2017 Taxonomy
 - Entity Specific Disclosure Task Force Status

Meeting adjourned 3:30.