

Data Quality Committee
Webcall
March 14, 2018
Meeting Notes

Attendees

Committee Members

Pranav Ghai, Campbell Pryde, Lou Rohman, Charles Kessler, Chase Bongirno, Mohini Singh, Amit Varshney

Absent

Emily Huang, Craig Lewis, Steve Soter,

Staff

Ami Beers, David Tauriello,

Observers

Louis Matherne, Izabela Ruta, Chris Wardak

Welcome

- Chair welcomed Committee members.
- Lou stated that Emil Efthimides retired from Bloomberg and a replacement for the DQC has not yet been named.

Minutes Approval

- One change proposed to minutes.
- Motion to approve revised minutes from December 18, 2017 DQC meeting, by Chase Bongirno, seconded by Pranav Ghai.
- Vote (For 7, 0 Against)
- Motion passed. December 18, 2017 DQC revised meeting minutes approved.

Approval of Release of DQC Rules for Public Review

- Campbell provided an overview of the Version 6 rules proposed to be released for public review March 19, 2018 through May 3, 2018
 - Version 6 includes an update to certain DQC rules to support IFRS taxonomies accepted and supported by the SEC. The proposed rules for the IFRS taxonomy will run separately from those that run the US GAAP taxonomy. The rules for IFRS can be expanded over time. The rules will run using the same plugin code. New rule forms have not been provided because the rule functions have not

been changed. No impact analysis has been run because there are not sufficient IFRS filings to run analysis. The rules proposed for public review include:

- DQC_0006 – DEI and Block Tag Date Contexts
 - DQC_0008 – Reversed Calculations
 - DQC_0033 – Document Period End Date Context
 - DQC_0036 – Document Period End Date Context/Fact Value Check
 - DQC_0041 – Axis with a Default Member that Differs from the Taxonomy - an exception has been added to DQC_0041 to account for the change to the axis for Continuing Operations and Discontinued Operations. The default member was changed from the total of continuing and discontinued operations member to continuing operations member in the 2018 taxonomy. DQC_0041 for IFRS allows either to be used as a default member using the 2017 taxonomy.

 - Motion to approve DQC_0006, DQC_0008, DQC_0033, DQC_0036, and updated DQC_0041 for public review by Chase Bongirno, seconded by Mohini Singh
 - Vote (For 7, 0 Against)
 - Motion passed. DQC_0006, DQC_0008, DQC_0033, DQC_0036, and updated DQC_0041 approved for public review.
- Version 6 also includes updates to rules that are necessary to support changes resulting from the creation of the SEC Reporting Taxonomy (SRT).
 - Previously, a single list of non negative elements was provided that couldn't have a negative value. These were provided as a csv list. However, with the addition of the SRT, items that were previously identified as non-negatives were moved from the US-GAAP taxonomy to the SRT. In addition, these non-negative items now also apply to IFRS filings. Accordingly, this list of non-negative items has been separated into 3 files which correspond to each of the taxonomies (i.e., US GAAP, SRT, DEI).
 - Version 6 will not have non negative items for IFRS taxonomy, this will be included in future versions.
 - No substantial change to rules, no voting necessary.

 - Version 6 includes an update to DQC_0001 – Axes with Inappropriate Members due to dimensions moved from US GAAP taxonomy to the SRT.
 - DQC_0001 has been updated for 2018 for those axes that were moved from US GAAP to the SRT. For example, the range axis was moved with its associated members from US GAAP to SRT. The namespaces have been updated to be consistent with the 2018 release of the US GAAP taxonomy.
 - No substantial changes to rules, no voting necessary

- Version 6 includes updates to DQC_0015 Non-negative Items, to support US GAAP 2018 taxonomy.
 - File distributed to DQC provides list of proposed elements for public review. This list has been reviewed by the Working Group.
 - Motion to approve additional non negative elements for US GAAP 2018 Taxonomy to DQC_0015 for public review by Chase Bongirno, seconded by Mohini Singh
 - Vote (For 7, 0 Against)
 - Motion passed. Additional non negative elements for US GAAP 2018 Taxonomy to DQC_0015 approved for public review.

- Version 6 includes minor fixes to issues in previously-released rules. These rules will not be exposed for public review but will updated with version 6 release when approved by the DQC. These include:
 - DQC_0015 - Non Negative items. The element *EquityMethodInvestmentSummarizedFinancialInformationMinorityInterest* is removed from the non negative list because this element can be negative in limited cases.
 - DQC_0001 - Axis with Inappropriate Members
 - Updated for the 2017 and 2016 rule set to allow an extension for the element *FairValueInputsLevel12And3Member*, as this was added to the 2018 taxonomy.
 - Previously, the following domain members were on the Legal Entities Axis for the 2017 taxonomy *ConsolidatedEntitiesMember* and *EquityMethodInvesteeMember*. Use of these members on the Legal Entities Axis will now generate errors, as they are no longer in the US GAAP taxonomy as children of the Legal Entity Axis.
 - Added the extension element *OperatingSegmentsExcludingIntersegmentEliminationMember* to the *ConsolidationItemsAxis* for 2016, 2017 & 2018 taxonomies as an allowable extension to capture the situation where you have a total of operating segments prior to intercompany elimination and reconciling differences.

- DQC_0048 – Required Calculation Parent Element in the Cash Flow Statement and DQC_0049 – Single Calculation Tree for Change in Cash Flows
 - Updated these cashflow rules to be more restrictive when identifying which tree represents the cash flow statement. Rule logic to identify Cash Flow Statement changed to contain the abstract element `StatementOfCashFlowsAbstract` and the presentation extended link role uri contains the case insensitive string “cashflow”.
- Version 6 includes a new rule DQC_0066 - Default Members used to Tag Values.
 - This rule will identify those cases where the filer has reported a fact but has specifically used the default dimension member of that axis to define the fact value.
 - Initial impact analysis showed 5k errors where domain member used for tagged values. However, some companies have taken domain members from one axis and moved them to a different axis.
 - Motion to approve DQC_0066 for public review by Chase Bongirno, seconded by Mohini Singh
 - Vote (For 6, 0 Against, 1 abstention)
 - Motion passed. DQC_0066 approved for public review.

Rules for FASB Implementation Guide on Dimensional Modeling for Consolidated and Nonconsolidated Entities

- Rules and guidance to support FASB implementation guide will be proposed for Version 7 release.
- FASB guidance addressed the changes in EFM for use of legal entities axis. FASB has not yet released a final guide. Guidance addresses how to identify legal entities and ownership of legal entities.
- Working Group developing more detailed guidance and rules to be distributed to DQC. Provides guidance for when to use certain axes and members for consolidations and legal entities and legal ownership with examples.
- Document will be provided to FASB for review.

Future Topical Areas for DQC to Address

- Stock based compensation guidance is in process.
- Pranav stated that 2018 US GAAP taxonomy has deprecated elements related to revenue which will have an impact on usage. Many revenue line items have been deprecated and the expectation will be to dimensionalize the revenue on the income statement by various categories, such as by product. This was done to accommodate

changes for new revenue recognition standard. Issuers should use new line items when adopting new revenue recognition standard. However, some companies have adopted new standard without using new line items. Rules will be needed to address this topic and this should be an urgent priority for the DQC. FASB is working to develop guidance on this topic. DQC members agreed to develop rules and guidance for the next version release. A subcommittee may be formed to address this topic. Working group will also undertake the topic. Members should contact Campbell if interested to join a subcommittee.

Action item – Members interested in participating in subcommittee to develop guidance and rules for tagging revenue contact Campbell.

- Lou explained that the XII Entity Specific Disclosure Task Force will publish a document on anchoring extensions. The document will be high level and will not address specific technical solutions. More specific guidance for SEC reporting will be needed. The Task Force has requested that DQC provide feedback. It is appropriate that the DQC provides feedback because this high level document will provide the basis for any guidance for extensions/anchoring under SEC. In order for the SEC to adopt these recommendations, they will need more detail. Therefore, it would be helpful for the DQC to develop specific recommendations for the SEC to implement. The document recommends better utilization of calculation relationships. XII is working on a revision to the calculation specification to improve the structure based on observations noted in the document. This topic will be discussed at the next DQC in person meeting.

Action item - Ami to distribute XII Entity Specific Disclosure Task Force document to DQC. DQC to provide feedback at next meeting.

Other Business

- Future meetings
 - In person meetings for 2018 in Washington D.C. with SEC staff
 - April 25, 2018 and October 10, 2018.
 - Future phone meetings will be scheduled.

Topics for meeting with SEC Staff

- The DQC members conducted a closed session.

Meeting adjourned 5:00PM.