Data Quality Committee
Joint Meeting with SEC Staff
SEC Offices, Washington D.C.
October 1, 2019

Highlights

NOTICE: The XBRL US Data Quality Committee meets periodically with the staff of the SEC to discuss issues relating to the use of XBRL data. The purpose of the following highlights is to summarize the issues discussed at the meetings. These highlights do not represent official positions of the XBRL US Data Quality Committee.

In addition, these highlights are not authoritative positions or interpretations issued by the SEC or its staff. The highlights were not transcribed by the SEC and have not been considered or acted upon by the SEC or its staff. Accordingly, these highlights do not constitute an official statement of the views of the Commission or of the staff of the Commission.

Highlights of joint meetings of the XBRL US Data Quality Committee and the SEC staff are not updated for the subsequent issuance of positions taken by the SEC staff, nor are they deleted when they are superseded by the issuance of subsequent highlights or guidance. As a result, the information, commentary or guidance contained herein may not be current or accurate and the XBRL US Data Quality Committee is under no obligation to update such information. Readers are therefore urged to refer to current authoritative or source material.

Attendance

Data Quality Committee	Securities and Exchange Commission	Observers and Guests
Joan Berg Chair	***Division of Economic Risk and Analysis***	Ami Beers, AICPA
Mohini Singh	Chyhe K. Becker	David Tauriello, XBRL US
Campbell Pryde	Julie Marlowe	Louis Matherne, FASB
Sophie Sharp	Josh Caust-Ellenbogen	
	Vikas Malik	
	Bob Luby	
	Hermine Wong	
	Andrew Z. Glickman	
	PJ Hamidi	
	Walter Hamscher	
	Division of the Office of the Chief Accountant	
	Jane Poulin	
	EDGAR Business Office	
	Mark Elbert	

Introductions

- Julie Marlow opened the meeting with introductions of the participants. Chyhe Becker provided an SEC disclaimer for the meeting.

Validation Rules and Guidance Update

- Joan Berg informed the group that the DQC approved version 10 rules at its meeting today.
- Two rules cover VIE reporting. A new axis was introduced a few years ago (*ConsolidatedEntitiesAxis*) which has been used inconsistently. The rules will eliminate the inconsistent reporting. These rules were exposed for public comment and no comments were received. The rules will become effective March 31, 2020.
- The third rule that was approved relates to situations where the values of a durational element for a series of periods of time do not aggregate to the value representing the aggregated period. The rule tests whether the periods roll up to the aggregate value. The rule includes a tolerance factor. This rule will become effective December 31, 2019.

Linkbase for DQC Rules in US GAAP Taxonomy

- Campbell explained that XBRL US has been working with FASB to incorporate DQC rules into the US GAAP taxonomy so that there eventually will be only one source to access rules.
- The first release of the DQC rules linkbase will be included in 2020 Taxonomy and will include DQC_0015 which tests negative values.
- FASB is working to identify an acceptance policy to include rules in the taxonomy once the rule has been in market for a time and has been widely accepted.
- There was a question as to whether the IFRS taxonomy will include rules? While DQC rules run IFRS taxonomy/filings and the IASB reviews DQC rules during the process, the IFRS taxonomy is used in many jurisdictions so DQC rules are only for US market and will not be included in the IFRS taxonomy.

DQC Errors

- Graphs of rule results were presented for 3 rules. Campbell explained that the graphs are available on XBRL US website (https://xbrl.us/data-quality/filing-results/dqc-results/). The 3 rules presented included:
  - DQC_0015 – Negative Values - this rule identifies errors where values are input as negative. Although there is improvement, there are still 5k errors on a quarterly basis. FASB will implement this rule in the taxonomy and the hope is that this will cause exposure to rules and improve results.
  - DQC_0080 Negative Values (IFRS) – this rule was implemented recently, and errors have shown a decrease.
  - DQC_0008 Calculation reversed – there has been increase in the errors in 2019 due to new IFRS filings.
- DQC has many rules with similar trends. The results of the rules are displayed on the XBRL US website and this has raised awareness of issues. However, small filers still have issues.

- SEC action in the past such as dear CFO letters have had a positive impact on results.

Tagging of Cover Pages for FAST Act
- Joan noted that there was not enough time and input from filers for implementation of these new requirements. Filings were suspended which had an impact on the market. There was confusion in the filing community due to new elements.
- Chase explained that engineering teams need to have 6 weeks of testing. DQC members requested that notice is needed for future updates of this kind.
- SEC staff noted that there were a lot of questions received from filers.
- Campbell mentioned that XUS members appreciated the webinar and guidance that SEC staff participated in.
- Campbell stated that there will not be a need for DQC rules in this area due to EFM rules and SEC test filing warnings.

SEC Test Warnings
- Joan explained that there has been an increase in warnings being received from the SEC Test Filing System and the filing community needs guidance related to the warnings.
- XBRL US proposes to publish guidance on its website for filers. The following issues were discussed:
  - Filers receive a warning for elements that are deprecated in a later taxonomy. There was a discussion that filers don't like to see a warning, and will create extensions. The intention of the warning is to encourage filers to move to a later version of the taxonomy. Guidance should not state that filers should ignore warnings. DQC will reword guidance to remove "ignore warnings".
  - SEC validates negative values; however, many exclusions exist when including axes/members. SEC validation does not include all of these exceptions. The list of exceptions will be included in the taxonomy.
  - Warning on exchange names for cover page tagging. Foreign exchanges are not included. Guidance received was to not tag if on a foreign exchange. If not tagged, there will not be a warning.
  - Warnings are provided for hidden facts. There are certain data that need to be tagged as a hidden value. Filers would rather not tag data, than receive the warning. Extensible list elements items in inline XBRL filings are a problem. There was discussion of the expanded use of extensible lists in the taxonomy as it concerns inline filings.
  - DQC provided information for SEC to consider regarding transformations for certain dates when only month and year are shown in the filing. Will need to request this gets added by XBRL International.
  - Question on tax id, how should companies deal with no tax id? SEC staff will need to look into this further.

Leases

- Filers are adopting accounting standard and there are a significant amount of extensions. DQC proposed elements to be added to 2020 taxonomy.
- FASB recommended rules for leases to be included in DQC rules. Version 11 will include these new rules for leases.
- Sophie Sharp stated that they have noticed inconsistencies in disclosure of leases.
- Campbell stated that more rules will probably be needed in this area.

DQC Future Rules/Guidance
- Joan explained that the DQC discussed future rules in its recent meeting. Topics included:
    - Expansion of guidance on variable interest entities and new rules for equity method investments.
    - Negative values are being updated for US GAAP and IFRS 2019 updates.
    - Users have noticed variations in use of deferred tax elements. Elements for netting versus non-netting are used interchangeably between balance sheet and notes to financial statements. New rules are being developed to identify these inconsistencies.
    - Transition Tax elements – filers are using elements that are no longer applicable when they adopt new accounting standards. New rules will identify use of these elements.
    - Stockbased compensation has been on list but has been pushed based on higher priority issues.

LEI
- Campbell explained that this is an important issue for the market. Use of a standard identifier allows connectivity between XBRL data sets. Many companies have an LEI and the cost has decreased over time. This is nonproprietary standard and there is much support for use of LEI.