Data Quality Committee
Conference call
January 20, 2021
Meeting Notes

Attendees

<u>Committee Members</u>

Campbell Pryde, Joan Berg, Pranav Ghai, Sophia Sharp, Mohini Singh, Heather Krupa, Amit Varshney

<u>Absent</u>

Adrian Cloutier, Charles Kessler, Glad Sully

<u>Staff</u>

Ami Beers, David Tauriello

<u>Observers</u>

Louis Matherne, Iza Ruta, Vivek Baid

Welcome

- Chair welcomed Committee and introduced attendees.

Minutes Approval

- Motion to approve minutes from October 7, 2020 DQC meeting, by Campbell Pryde, seconded by, Pranav Ghai
- Vote (For 7, 0 Against)
- Motion passed. October 7, 2020 DQC meeting minutes approved.

Review and Approval of Version 14 DQC Rules

- Campbell explained the rules proposed for Version 14. Comments were received from public. Rule 106 was removed from version due to lack of guidance. These rules cover the IFRS taxonomy.
  - DQC_0101 – Movement of Concept between Calculation Trees – This rule is similar to DQC_0045 (US GAAP) that is already in place. The rule identifies inappropriate calculation descendants of investing, financing or operating items in the company's extension filing for the statement of cash flows. Impact of the rule is 72 cases from January to September 2020.

- DQC_0102 – Element Values are Equal – This rule is consistent with DQC_0004 (US GAAP). This rule tests that the values reported between element relationships that are identified as an accounting constant are consistent within the filing. The rule only runs when there are no dimensions. Impact analysis show 270 cases from January to September 2020 (error can exist for every context). Relationships tested in the rule include:
    - Assets = LiabilitiesAndStockholdersEquity (1 error)
    - Assets = CurrentAssets + NoncurrentAssets (76 errors)
    - Liabilities = CurrentLiabilities + NoncurrentLiabilities (73 errors)
    - Equity = EquityAttributableToOwnersOfParent + NoncontrollingInterests (25 errors)
    - ComprehensiveIncome = ProfitLoss + OtherComprehensiveIncome (44 errors)
    - IncreaseDecreaseInCashAndCashEquivalentsBeforeEffectOfExchangeRateChanges = CashFlowsFromUsedInOperatingActivities + CashFlowsFromUsedInInvestingActivities + CashFlowsFromUsedInFinancingActivities (30 errors)
    - CashFlowsFromUsedInFinancingActivities = CashFlowsFromUsedInFinancingActivitiesContinuingOperations + CashFlowsFromUsedInFinancingActivitiesDiscontinuedOperations (0 errors)
    - CashFlowsFromUsedInInvestingActivities = CashFlowsFromUsedInInvestingActivitiesContinuingOperations + CashFlowsFromUsedInInvestingActivitiesDiscontinuedOperations (8 errors)
    - CashFlowsFromUsedInOperatingActivities = CashFlowsFromUsedInOperatingActivitiesContinuingOperations + CashFlowsFromUsedInOperatingActivitiesDiscontinuedOperations (0 errors)
    - IncreaseDecreaseInCashAndCashEquivalentsDiscontinuedOperations = CashFlowsFromUsedInOperatingActivitiesDiscontinuedOperations + CashFlowsFromUsedInInvestingActivitiesDiscontinuedOperations + CashFlowsFromUsedInFinancingActivitiesDiscontinuedOperations (8 errors)
- DQC_0103 – Invalid Value for Percentage Items. This rule identifies where filers have used a percentage item type with a value that is greater than the value of 1000% similar to DQC_0091 (US GAAP). The rule tests base taxonomy elements of the IFRS taxonomy except elements containing the text "ApplicableTaxRate". Impact analysis show 117 cases from January to September 2020.
- DQC_0104 – Axis with Inappropriate Member - The rule checks if allowable members are used on the axes tested. Impact analysis shows 32,000 cases from January to September 2020 (there could be many errors within each filing). The following dimensions are checked (we expect these to increase over time):
    - AssetsAndLiabilitiesClassifiedAsHeldForSaleAxis (Limited extensions)
    - ContinuingAndDiscontinuedOperationsAxis (Limited extensions)
    - ConsolidatedAndSeparateFinancialStatementsAxis (No extensions)
    - SegmentConsolidationItemsAxis (Limited extensions (rule defines the names of the extensions))
    - SegmentsAxis (Only allows extensions)

- DQC_0105 – Financial Statement elements with no calculations – The rule identifies all monetary items on the face financial statements and ensures that associated calculations are also included. The rule takes into account supplemental disclosures and ignores parenthetical items similar to DQC_0099 (US GAAP). Impact analysis shows 724 cases from January to September 2020.
- DQC_0106 - Assets and Liabilities Classified as Held-For-Sale using Duration Element – This rule was eliminated from the rule set based on feedback received during public review.
- Guidance on Tagging Axis and Members Using IFRS Taxonomy – Document provides guidance for modeling axis and members (DQC_0104) using the IFRS taxonomy. Based on feedback received in the public review, explanations of how to use the axes were added.
- This version also includes updates to existing rules previously approved that include the following:
  - DQC_0099 FS with No Associated Calculation
    - Remove false positives associated with supplemental cash flows
    - Remove additional statement types
    - Allow disclosures in presentation of movements in Shareholders Equity
    - Added PremiumsWrittenGross as an exception
    - Updated the rule message
  - DQC_0033 Document Period End Date Context
    - The rule will not run if it is an 8-K that has the amendment flag as true
  - DQC_0001 Axis with Inappropriate Member
    - Added the following as allowed currencies currency:VES, currency:SVC, currency:STN, currency:MRU
    - Removed InvestmentsNetAssetValueMember as an allowable extension (added to taxonomy)
    - Added BusinessCombinationsAxis
  - DQC_0081 Sibling Child Relationships
    - Added detailed message of how to resolve issues
    - i.e. "The element ProceedsFromLoans is an operating cash receipt from principal payments made on loans related to operating activities. Look to use one of the elements included as

descendants of the abstract element ProceedsFromRepaymentsOfDebtAbstract"

- Expanded exceptions for elements promotable to sibling (DepreciationAndAmortization)
  - DQC_0095 Scale Common Stock Outstanding
    - Updated rule to only check values within 90 days of each other. i.e., Outstanding stock on the cover page vs Financial Statements
  - DQC_0015 Negative Values
    - Removed 4 elements that could be negatives.
    - Added "basisswap" as a string in a member to allow an item to be negative
- Joan explained that the new rules will impact IFRS filings and 20-F filings are due April 30, 2021. The working group members discussed the effective date of the rules and some members had preferred a date after the April 30, 2021. DQC members discussed that time may be needed to incorporate rules into filer processes.

- Motion to approve rules DQC_101, DQC_102, DQC_103, DQC_104 (with associated guidance for Tagging Axis and Members Using IFRS Taxonomy), DQC_105 effective May 1, 2021, and updates to rules DQC_0099, DQC_0033, DQC_0001, DQC_0081, DQC_0095 and DQC_0015 effective March 1, 2021, by Joan Berg, seconded by Heather Krupa
- Vote (For 7, 0 Against)
- Motion passed. Rules DQC_101, DQC_102, DQC_103, DQC_104 (with associated guidance for Tagging Axis and Members Using IFRS Taxonomy), DQC_105 effective May 1, 2021, and updates to rules DQC_0099, DQC_0033, DQC_0001, DQC_0081, DQC_0095 and DQC_0015 effective March 1, 2021, approved.

Other Matters
- Campbell explained that 6 rules (including: DQC_0001, DQC_0004, DQC_0008, DQC_0009, DQC_0015, and DQC_0048) are being incorporated into the US GAAP taxonomy by the FASB. SEC is working to incorporate the DQC rules that are included in the taxonomy into the EDGAR system and will check these rules. Campbell stated that he expects this will impact smaller filers and bring attention to the errors which should reduce future errors.
- Joan reminded the Committee the next meeting is March 24, 2021 with SEC staff.

Meeting adjourned 12:40 AM.