Standards for Regulators: Governance, & Taxonomy Development & Maintenance

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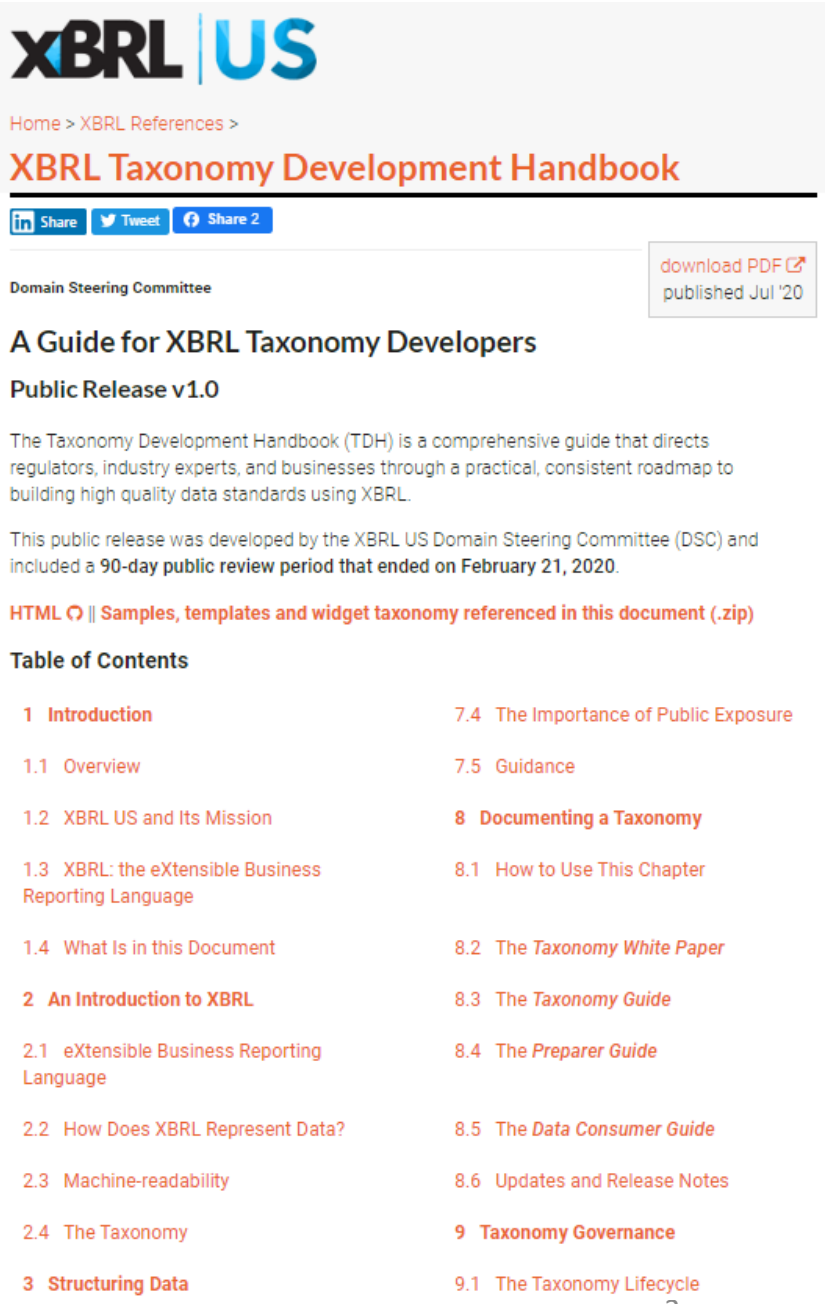
Agenda

- Introduction
- Resources for Regulators
- Taxonomy Governance Phases
- CPE questions
- Discussion with the FASB
- CPE questions

Taxonomy Development Handbook (TDH)

Reference and guidelines for XBRL taxonomy development, implementation, and maintenance.

https://xbrl.us/xbrl-reference/tdh/



XBRL US

Home > XBRL References >

XBRL Taxonomy Development Handbook

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published Jul '20

Domain Steering Committee

A Guide for XBRL Taxonomy Developers

Public Release v1.0

The Taxonomy Development Handbook (TDH) is a comprehensive guide that directs regulators, industry experts, and businesses through a practical, consistent roadmap to building high quality data standards using XBRL.

This public release was developed by the XBRL US Domain Steering Committee (DSC) and included a **90-day public review period that ended on February 21, 2020**.

HTML || Samples, templates and widget taxonomy referenced in this document (.zip)

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9 Taxonomy Governance
9.1 The Taxonomy Lifecycle

Chapter 9: Taxonomy Governance

- Chapter 9 is a general guide to the process of managing the development and maintenance of a taxonomy
- Discussion of:
  - Pilot Program
  - Taxonomy Build
  - Implementation
  - Ongoing Support and Maintenance

9 Taxonomy Governance

As with any project, the lifecycle and workflow of a taxonomy will naturally include development, deployment, and eventually revision and support. These later aspects of the lifecycle are sometimes less investigated or emphasized, but they can be vitally important to the success of any project, an XBRL taxonomy included. This chapter offers some methods of oversight and management to guide the entire process of taxonomy development, implementation, and upkeep. These are only suggestions; developers and other managers should create and install a management structure that makes sense to them.

Taxonomy *governance* pertains to the policies, processes, and documentation needed to manage taxonomies, not only in the initial building stage but throughout ongoing support and maintenance. A taxonomy is seldom "finished" because regulatory reporting requirements, industry and company needs, and marketplace technologies continuously change. The taxonomy must evolve to meet the needs of the reporting domain and to embrace new technologies that can offer enhancements to the information supply chain.

The overarching goal of taxonomy governance is to establish a repeatable, predictable process to manage taxonomy changes in a manner that is accountable and transparent to all stakeholders. This chapter briefly outlines the development cycle for a taxonomy. It also describes the team of personnel that could be involved in governance tasks, as well as their roles and responsibilities. It bears mentioning again that the size and scope of governance and the groups involved in it should be dictated by the size and scope of the taxonomy project itself. For a large, complex taxonomy with multiple regulatory stakeholders, governance may require many different people with different expertise. For a small taxonomy with a more contained information supply chain, the taxonomy developers themselves may be all that is necessary to maintain robust governance.

9.1 The Taxonomy Lifecycle

Like most structured systems, taxonomies have a general lifecycle: build, pilot, implementation, and support and maintenance. The governance structure and goals should adapt to the stage of taxonomy development and maintenance (Figure 9-1).

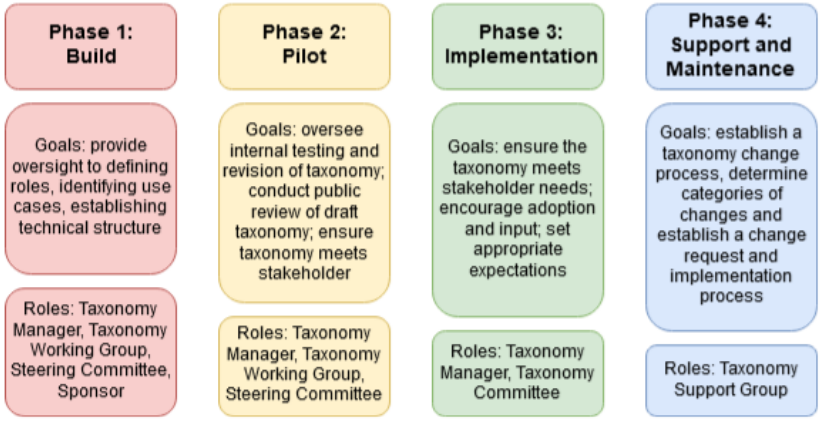
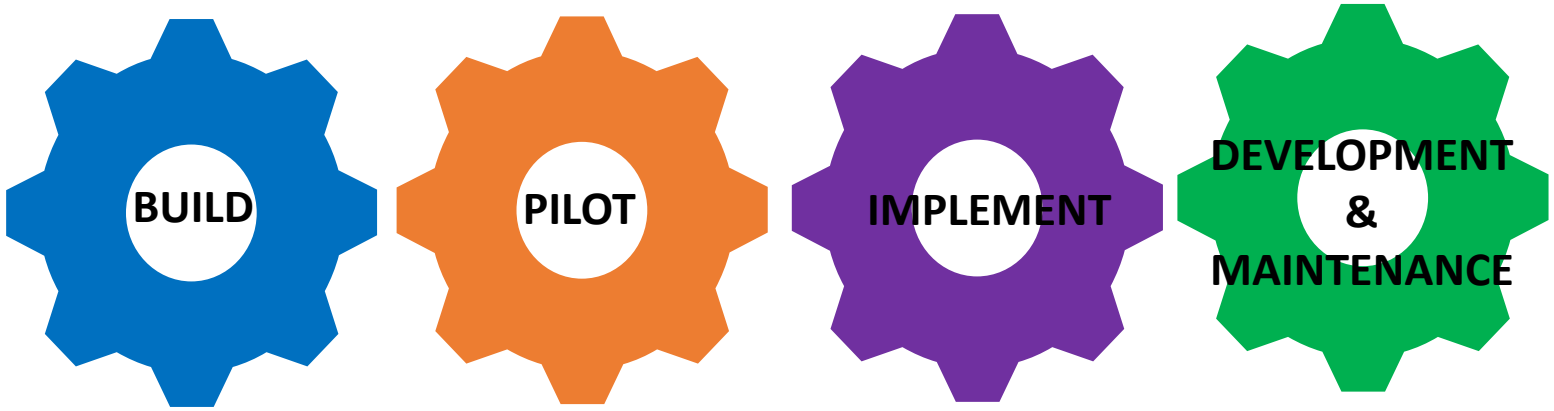


Figure 9-1. The lifecycle of taxonomy development and governance

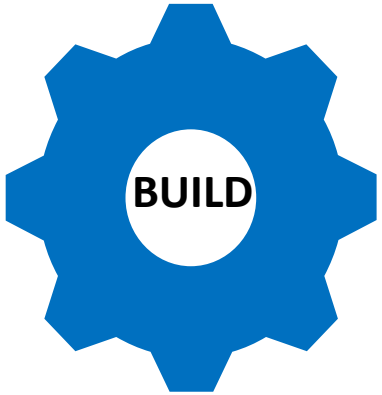
Note that these phases correspond with the development workflow diagram depicted in Figure 7-1. The development and revision cycles in that diagram match the phases listed in this chapter. The following sections outline the goals of each phase and types of governance structures necessary to achieve them.

Taxonomy Governance Phases

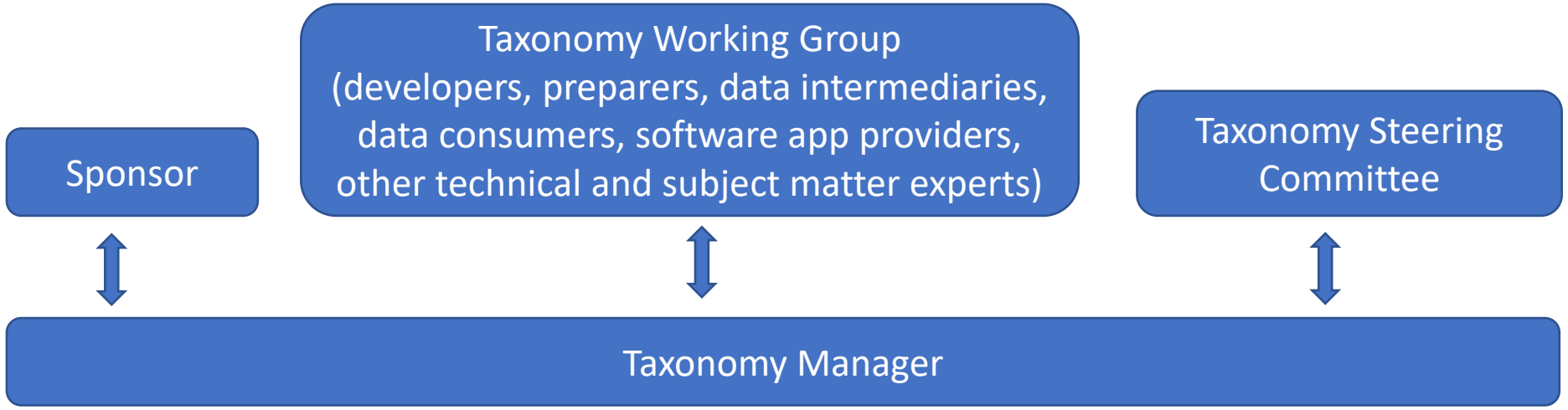
- Goal: establish repeatable, predictable process to manage taxonomy changes



Phase 1

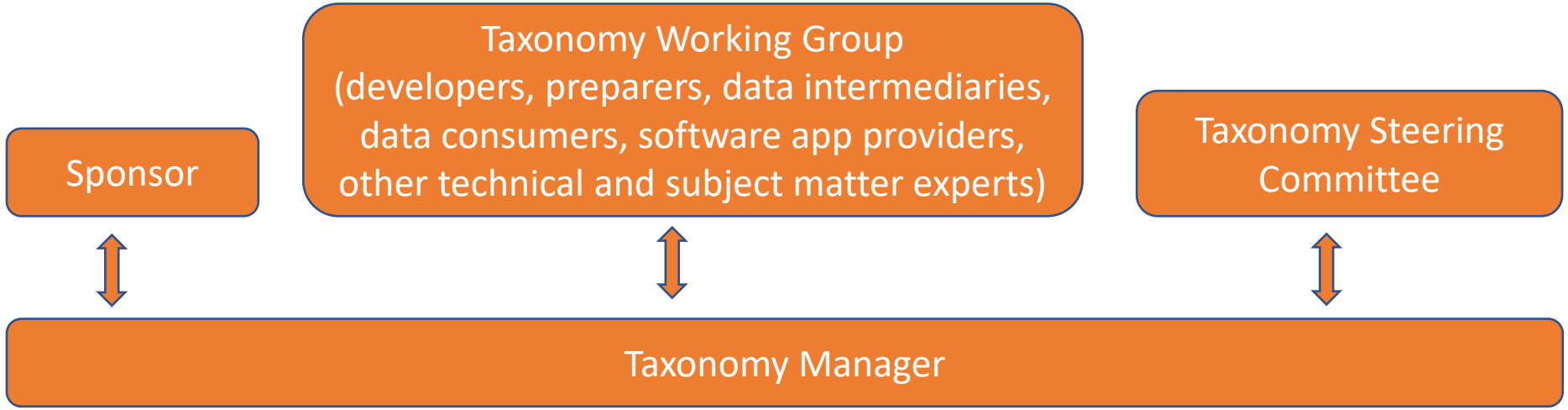


- Goals: provide oversight for defining roles, identifying use cases, and establishing the technical structure; produce a pilot taxonomy for public review
- Organizational roles:

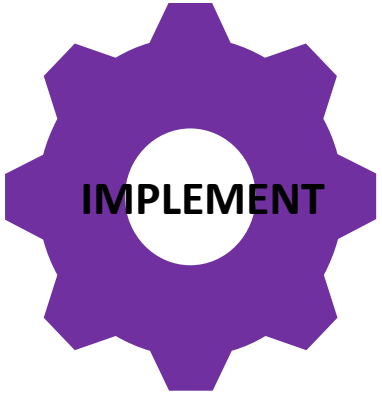


Phase 2

- Goals: oversee internal testing and revision of taxonomy; conduct public review; ensure taxonomy meets stakeholder needs
- Organizational roles:



Phase 3



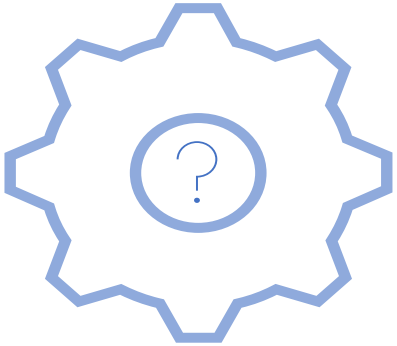
- Goals: ensure the taxonomy meets stakeholder needs; encourage adoption and input; set appropriate expectations
- Organizational roles:

Phase 4

- Goals: establish a taxonomy change process; determine categories of changes and establish a change and request implementation process
- Organizational roles:

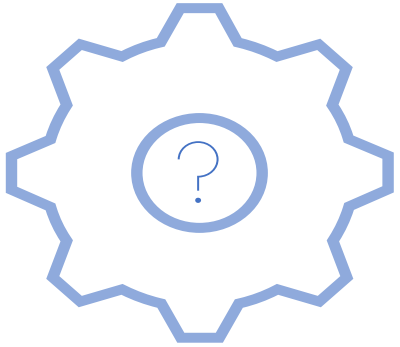
Taxonomy Development & Maintenance Group

CPE questions



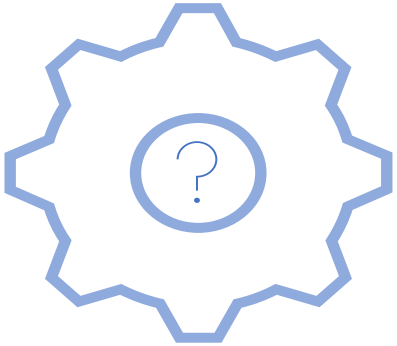
Who was involved in the initial development of the US GAAP taxonomy?

What role did the FASB play?

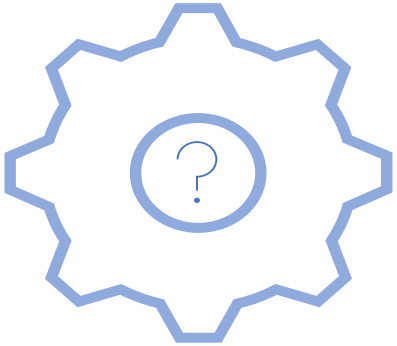


When did the FASB take over the development and maintenance of the US GAAP Taxonomy?

What was the initial development and maintenance process put in place by the FASB?

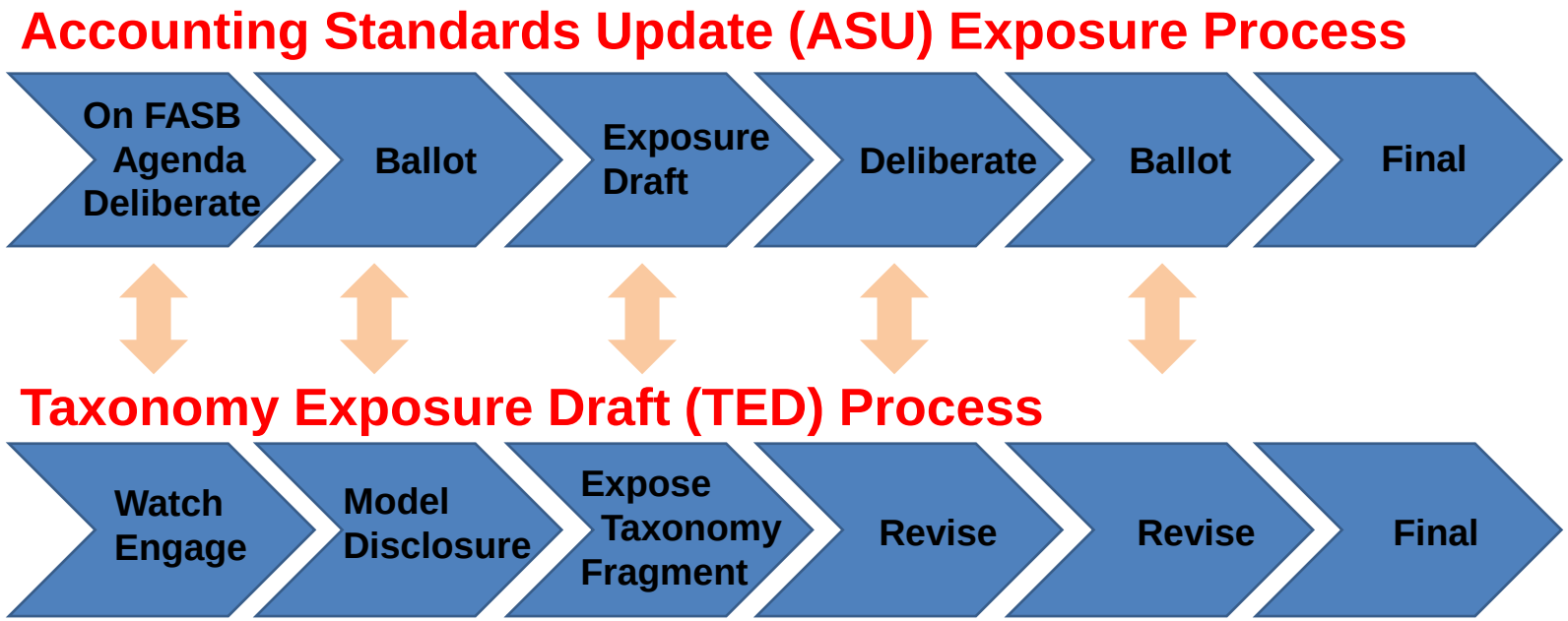


How and why has the US GAAP Taxonomy development and maintenance program changed over time?



What governance and process does the FASB follow to develop and maintain the taxonomy for accounting standards?

Taxonomy Exposure Draft Process



Steps

- Create example disclosure with ASU Project Team
- Create elements & modeling
- Create instance document
- Expose TED concurrent with ASU ED
- SEC staff review
- Revise based on public feedback and Board deliberations
- Release in base taxonomy as complete

FASB Taxonomy Development Process

- Accounting Standards Updates
- Topical Projects
- Public Comments
- SEC Findings
- XBRL Team Research

- Research Literature
- Analyze Filings
- Solicit Guidance From SMEs, Industry Groups, & **T**axonomy **A**dvisory **G**roup

- Draft Revisions and Required Modeling
- Senior Review
- Validation With Sample Filings
- Update "Evergreen" Taxonomy

- Detailed Content and Architectural Review

- Publish on FASB website & http://xbrl.fasb.org/us-gaap/

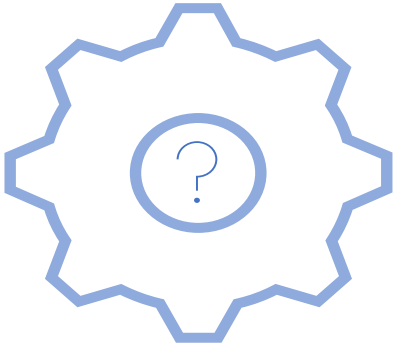
Exposure & Review

Sample Instance Document Creation & Validation

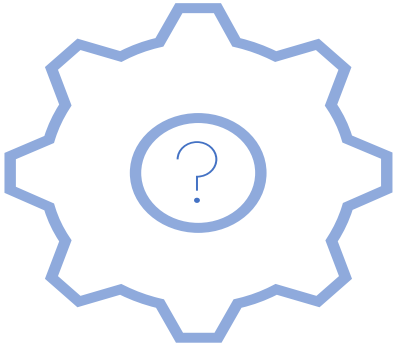
Taxonomy Advisory Group Guidance

SEC Guidance & Review

xBRL US

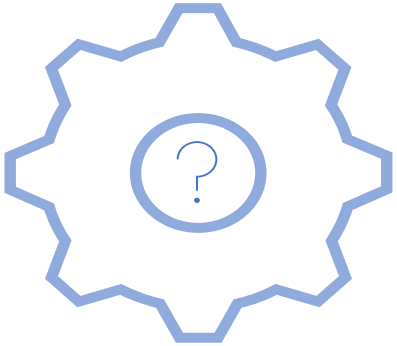


How does the FASB XBRL team incorporate XBRL technical changes to the taxonomies, and how does the governance structure support that?



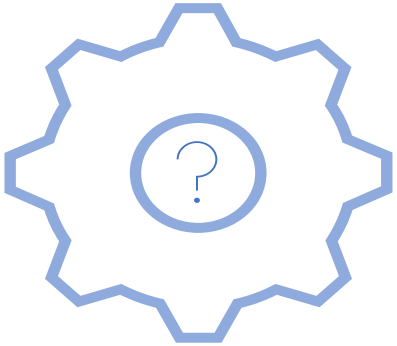
Select Previous Enhancements

- Typed dimensions
- Reference roles
- Taxonomy Implementation Notes
- Change Notes
- Extensible Enumerations 2.0
  - DTR

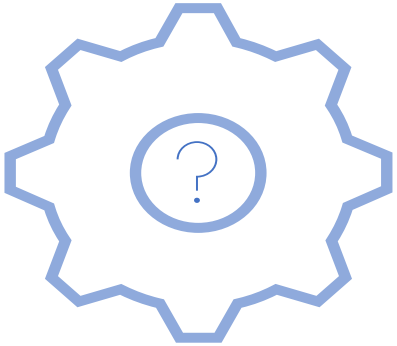


How does that differ from the FDIC program? The FERC program?

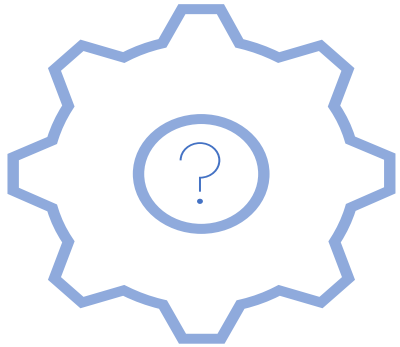
Is one approach better than another? Why?



How does the FASB process compare to the IASB development and maintenance process?



What kind of guidance and support tools for the US GAAP Taxonomy are available to issuers?



FASB Home ›› Taxonomy (XBRL) ›› **FASB XBRL US DQC Rules Taxonomy**

FASB XBRL US DQC RULES TAXONOMY

The FASB XBRL US DQC Rules Taxonomy (DQCRT) is an XBRL representation of select XBRL US Data Quality Committee's (DQC) validation rules that is now included with the annual U.S. GAAP Financial Reporting Taxonomy release.

The DQCRT is uniquely structured from the typical design of XBRL taxonomies because it is narrowly focused on conveying the DQC validation rules, predominantly for regulator use. It is not intended to be used in Securities and Exchange Commission (SEC) filers' extension taxonomies the way that the U.S. GAAP Financial Reporting Taxonomy or the SEC's Document and Entity Information (DEI) Taxonomy is used. To use the DQC validation rules, there are resources available at the XBRL US DQC website or contact your service provider.

The DQCRT contains a subset of the DQC rules. FASB Taxonomy Staff evaluate the validation rules for inclusion in the DQCRT that have been available for use for more than a year, with consideration for how the DQC addressed any feedback received on a validation rule.

The 2021 DQCRT can be accessed through the entry point provided below:

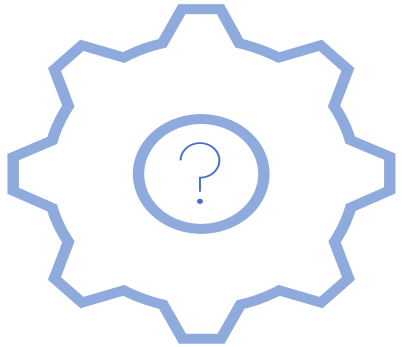
- 2021 XBRL US DQC Rules Taxonomy

The 2020 DQCRT can be accessed through the entry point provided below:

- 2020 XBRL US DQC Rules Taxonomy

Purpose of the DQCRT

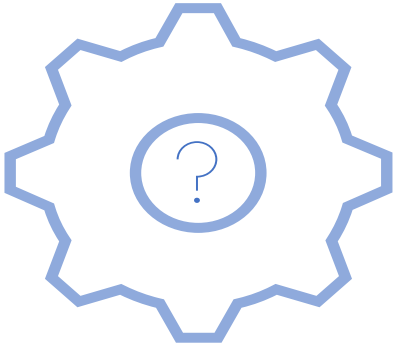
XBRL US



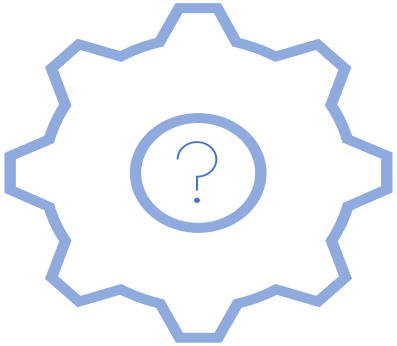
Network: definitionLink: rule-concept Lang: en-US

- DQC.US.0001
  - DQC.US.0001 [Abstract]
    - DQC.US.0001.Axis allows extensions [Abstract]
    - DQC.US.0001.Axis restricts extensions [Abstract]
    - DQC.US.0001.Axis allows listed base members and extensions [Abstract]
    - DQC.US.0001.Member allows extensions [Abstract]
- DQC.US.0004
  - DQC.US.0004 [Abstract]
    - DQC.US.0004.Element Values Are Equal [Abstract]
    - DQC.US.0004.Does not run when ConsolidationItemsAxis is used [Abstract]
    - DQC.US.0004.Value not in default [Abstract]
- DQC.US.0008
  - DQC.US.0008 [Abstract]
    - DQC.US.0008.Reversal of Element Calculations [Abstract]
- DQC.US.0009
  - DQC.US.0009 [Abstract]
    - DQC.US.0009.Element A must be less than or equal to Element B [Abstract]
- DQC.US.0015
  - DQC.US.0015 [Abstract]
    - DQC.US.0015.Non-negative Items [Abstract]
    - DQC.US.0015.Exclude Non-negative Members [Abstract]
    - DQC.US.0015.Exclude Non-negative Axis [Abstract]
    - DQC.US.0015.Exclude Non-negative Axis and Members [Abstract]
    - DQC.US.0015.Exclude Non-negative Member Strings [Abstract]
- DQC.US.0048
  - DQC.US.0048 [Abstract]
    - DQC.US.0048.Required Calculation Parent in the Cash Flow Statement [Abstract]

XBRL US

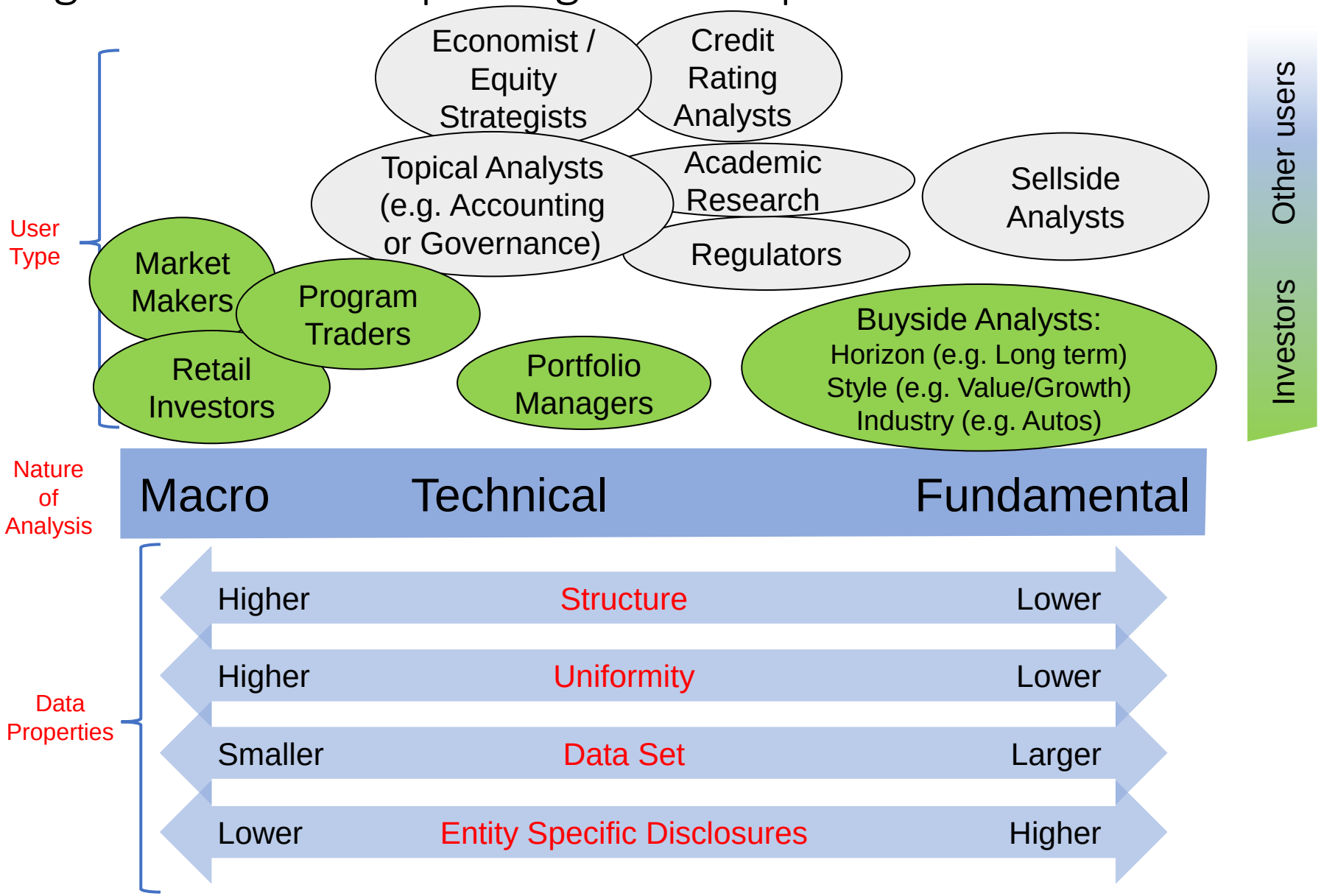


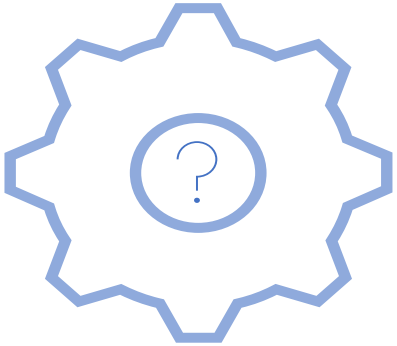
TAXONOMY (XBRL)
2021 US GAAP Financial Reporting Taxonomy
Includes the 2021 Annual Update and Supporting Materials. This update relates to improvements in accounting standards and other improvements since the 2020 taxonomy as used by issuers filing with the U.S. Securities and Exchange Commission.
>> More
2021 US GAAP FINANCIAL REPORTING TAXONOMY
Includes the 2021 Annual Update and Supporting Materials
2021 SEC REPORTING TAXONOMY
Includes 2021 SEC Reporting Taxonomy and Supporting Materials
DEVELOPMENT US GAAP FINANCIAL REPORTING TAXONOMY
TAXONOMY IMPLEMENTATION GUIDES
This includes 2021, 2020, 2019, 2018, 2017, and 2016 Implementation and Style Guides.
>> More
GAAP TAXONOMY FREQUENTLY ASKED QUESTIONS (FAQ)
This includes questions frequently asked about the GAAP Taxonomy.
>> More
PROPOSED GAAP TAXON IMPROVEMENTS
This includes proposed improver to the GAAP Taxonomy open for comment that result from Propos Accounting Standards Updates a other GAAP Taxonomy improver projects.
>> More
GAAP TAXONOMY IMPROVEMENTS (PENDIN ANNUAL UPDATES)
This includes improvements to th GAAP Taxonomy that result from Accounting Standards Updates a other GAAP Taxonomy improver projects.
>> More
The 2021 US GAAP Financial Reporting Taxonomy can be accessed through the entry point provided below.
2021 US GAAP Financial Reporting Taxonomy
The 2021 U.S. GAAP Financial Reporting Taxonomy (GRT) contains updates for accounting standards and other improvements since the 2020 Taxonomy as used by issuers filing with the U.S. Securities and Exchange Commission (SEC). We encourage all interested parties to review and provide feedback though the FASB Online Review and Comment System.
Comments are acknowledged when received but it is not possible to respond directly to individual comments. Individuals providing comments on the GRT are required to register with a "user name" and email address. Please note that all comments will be visible to other registered users. Guidance for using the taxonomy viewer/commenting tool is provided here.
Guidance and Supporting Documents include:
2021 US GAAP Financial Reporting Taxonomy Release Notes (Narrative only)
Narrative summary of taxonomy improvements since 2019 release
Modifications to the 2021 US GAAP Taxonomy (Excel Version)
Taxonomy improvement details since 2020 release in spreadsheet format.
FASB Extension Taxonomy Change Application (TC App)
This application helps users quickly identify changes in the elements that are used in an existing XBRL extension taxonomy resulting from a new Taxonomy release. Save and unzip the TC App to a local drive and follow instructions in the User Guide contained therein.
2021 US GAAP Taxonomy (Excel Version)
Taxonomy in a spreadsheet format to facilitate taxonomy review.
2014 US GAAP Financial Reporting Taxonomy Architecture
Explains the taxonomy design rationale and how the architecture satisfies stakeholder requirements. No change from 2014.
2021 US GAAP Financial Reporting Taxonomy and Data Quality Committee Rules Taxonomy Technical Guide
Provides technical details of the taxonomy.
Comment Letters
Taxonomy to COVID-19 Pandemic and Relief Disclosures (June 22, 2020)



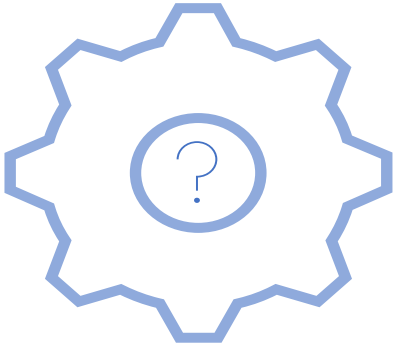
How do accounting standards dictate how a taxonomy is developed and maintained?

Digital Financial Reporting User Requirements





How has the ability of companies to “extend” the taxonomy affected the governance of the taxonomy?



What else might affect data quality (positive or negative)?

CPE questions

Questions?

Upcoming Events from XBRL US

- Inline XBRL Webinar Series for Small Reporting Companies and Foreign Private Issuers
  - Session 1, featuring Julie Marlowe, Securities and Exchange Commission, May 19
    - https://xbrl.us/events/210519/
  - Session 2, featuring Pranav Ghai, Calcbench, May 26
    - https://xbrl.us/events/210526/
- Data Quality Committee Webinar on 15th Ruleset, May 12
  - https://xbrl.us/events/210512/