

**Conference call
June 29, 2022
Meeting Notes**

Attendees

Committee Members

Campbell Pryde, Shelly Wavrin, Charles Kessler, Pranav Ghai, Glad Sully

Absent

Adrian Cloutier, Heather Krupa, Mohini Singh, Amit Varshney

Staff

Ami Beers, David Tauriello, Marc Ward, Michelle Savage

Observers

Iza Ruta

Welcome

- Shelly welcomed attendees and introduced the agenda.

Minutes Approval

- Motion to approve minutes from March 23, 2022 DQC meeting, by Campbell Pryde, seconded by Pranav Ghai
- Vote (For 5, 0 Against)
- Motion passed. March 23, 2022 DQC meeting minutes approved.

Review and Approval of Version 18 DQC Rules

- Campbell introduced the rules. The public comment period ended on May 31, 2022.
 - DQC_0133 - Equity Method Investment Reporting - The purpose of the rule is to ensure that filers consistently report Equity Method Investment (EMI) data. No changes to this rule
 - DQC_0134 - Investment Schedule - Financial Instrument Axis - The purpose of the rule is to ensure that filers report values associated with the element AvailableForSaleDebtSecuritiesAmortizedCostBasis with the correct dimensions
 - Expanded this rule to add the following elements to determine that they were used with the financial instruments axis:
 - DebtSecuritiesAvailableForSaleAmortizedCostCurrent,
 - DebtSecuritiesAvailableForSaleAmortizedCostNoncurrent,

- AvailableForSaleSecuritiesDebtSecurities,
 - AvailableForSaleSecuritiesDebtSecuritiesCurrent,
 - AvailableForSaleSecuritiesDebtSecuritiesNoncurrent
 - Impact analysis showed over 800 errors
- DQC_0135 - Extensible Enumerations for Financial Statement Captions – The FASB has defined a number of elements that if reported and are not included in the face financial statements, filers need to indicate which financial statement caption the amounts appear (these elements have been identified in the US GAAP taxonomy as extensible enumeration elements). No comments were received on this rule, so no changes were made.
- DQC_0136 - Caption Value Matches Financial Statements - This rule is intended to identify those cases where the company uses an extensible list item that refers to a Balance Sheet or Income Statement line item that does not exist on the referenced Statement. No changes made to this rule.
- DQC_0137 - Location Axis with a Single Member – This rule identifies those cases where the company uses the location axes for the balance sheet or the income statement to indicate where a value in the notes appears on the financial statement. This rule identifies those cases where the location axis is used but only a single value appears for a concept and the specific location axis. No changes to rule.
- Campbell mentioned that Version 18 also includes the following update to existing rules:
 - DQC_0001
 - Added DQC_0001.83 RetirementPlanSponsorLocationAxis
 - DQC_0055
 - Added DQC_0055.9843 check the Domestic Plan [Member] has been included as a descendant of the Retirement Plan Sponsor Location [Axis] in the presentation linkbase
 - Added DQC_0055.9844 check the Foreign Plan [Member] has been included as a descendant of the Retirement Plan Sponsor Location [Axis] in the presentation linkbase
 - DQC_0127
 - Update to exclude facts using EquityMethodInvestmentNonconsolidatedInvesteeAxis instead of ScheduleOfEquityMethodInvestmentEquityMethodInvesteeNameAxis
 - Update to exclude real estate schedules that are defined as statements
- The effective date for version 18 is proposed for September 1, 2022.
- Motion to approve rules DQC_0133, DQC_0134, DQC_0135, DQC_0136, and DQC_0137, effective September 1, 2022, by Charles Kessler, seconded by Pranav Ghai
- Vote (For 5, 0 Against)

- Motion passed. DQC_0133, DQC_0134, DQC_0135, DQC_0136, and DQC_0137, effective September 1, 2022 approved.

Review and Approval of Version 19 DQC Rules for Public Review

- Campbell introduced the rules for Version 19
 - DQC_0139 – Bank Ratios – Scale Issues - is intended to identify those cases where the company has used an inappropriate scale to define a bank ratio. The rule also ensures that filers used appropriate elements to report capital adequacy ratios. (sample of 2000 filings showed 147 errors) The rule has 6 components
 - Component 1 identifies bank ratios that exceed 100%
 - Component 2 identifies cases where value of Tier 1 capital is less than minimum Tier 1 capital
 - Component 3 identifies where the value of the banks Assets are less than the banks Risk Weighted Assets
 - Component 4 identifies where the percentage of the Tier 1 capital to be adequately capitalized is greater than the percentage of Tier 1 capital to be well capitalized.
 - Component 5 identifies where the value of Tier 1 capital to be adequately capitalized is greater than the value of Tier 1 capital to be well capitalized.
 - Component 6 identifies where the value of Tier 1 capital is less than the minimum Tier 1 capital required to be adequately capitalized.
 - DQC_0140 – Investment Schedule Cross Calc is intended to identify where the company misuses elements in the investment schedule. The rule checks that the difference between amortized cost and fair value is calculated correctly on the investment schedule. The rule calculates amortized cost less any credit losses and accumulated gains and losses is equal to the fair value of the investment. The rule will operate on any dimensions used. The rule checks for amounts including accrued interest and once for amounts excluding accrued interest. Both rules should not fire for the same filing as filers are required to report either the values including accrued interest or excluding accrued interest. (sample identified 46 errors for including accrued interest, no errors identified for excluding accrued interest)
 - DQC_0141 – Inconsistent Accrued Interest Elements is intended to identify when both including and excluding accrued interest elements are used in the same context. (sample identified 192 errors)

- Campbell explained that we have developed checks for ESEF filings. One issue identified is that it is difficult to identify the financial statement items. ESEF does not have a requirement to identify information as a “statement”. This rule will be IFRS.DQC_0138 – Missing Abstract from Financial Statement. This rule will only run on ESEF filings, not on IFRS filings in the US.
- Motion to approve rules DQC_0139, DQC_0140, DQC_0141, and IFRS.DQC_138 for public comment on July 15, 2022, by Pranav Ghai, seconded by Charles Kessler
- Vote (For 5, 0 Against)
- Motion passed. D DQC_0139, DQC_0140, DQC_0141, and IFRS.DQC_138 for public comment on July 15, 2022 approved.

Other Business

- Campbell mentioned that there will be guidance that will be developed and sent to separately to DQC via email for approval. This guidance will support the rules in Version 19.

Meeting adjourned 12:35 PM.