DQC Rules for BDCs and Public Companies, Rule Set 20

Topic	Speaker
XBRL US Center for Data Quality and Data Quality Committee (DQC)	Shelly Wavrin, Chair, DQC; Senior Financial Consultant, Toppan Merrill
SEC Rules for BDCs	Campbell Pryde, President and CEO, XBRL US
CPE Questions	
Rule Set 20 for BDCs and Other US GAAP Filers	Campbell Pryde
CPE Questions Upcoming events and programs	

XBRL US Center for Data Quality

A collaboration of public companies, service providers, and data users.

Mission: to address the public's concerns about the quality and usability of XBRL financial data filed with the SEC.

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Data Quality Committee

Focus: on data quality issues that adversely affect data consumption and analysis and prioritizes issues based on input from users.

Actions:
- Develop unambiguous guidance and rules
- Obtain input through public exposure held three times each year:
  - April 15 – May 31
  - July 15 – August 31
  - November 15-31
- Provide progress updates to SEC staff and FASB

Members of the XBRL US DQC

Shelly Wavrin, Toppan Merrill (Chair)

Regular members:

- ◦ Ami Beers, AICPA
- ◦ Adrien Cloutier, Morningstar (data and tool provider, analyst)
- ◦ Pranav Ghai, Calcbench (data and tool provider, analyst)
- ◦ Charles Kessler, S&P Global Market Intelligence (data and tool provider, analyst)
- ◦ Jennifer Liu, Bloomberg (data and tool provider, analyst)
- ◦ Campbell Pryde, XBRL US (standards setter)
- ◦ Gladimyr Sully, idaciti (data and tool provider, analyst)
- ◦ Amit Varshney, Credit Suisse (securities analyst)

Permanent observers:

- ◦ Louis Matherne, FASB
- ◦ Izabela Ruta, IASB

Data Quality Working Group

Open to all members of the

Center for Data Quality

- ◦ Meets twice/month

- ◦ Develops and vets rules

Members:

Ami Beers, AICPA

Shelly Wavrin, Toppan Merrill

Tasia Chorney, RDG Filings

Lisa Cousino, Broadridge Financial Solutions

Kelly Stratton, Certent, an insightsoftware company

Colin Johnson, Donnelley Financial Services (DFIN)

Sonny Jablonski, Workiva

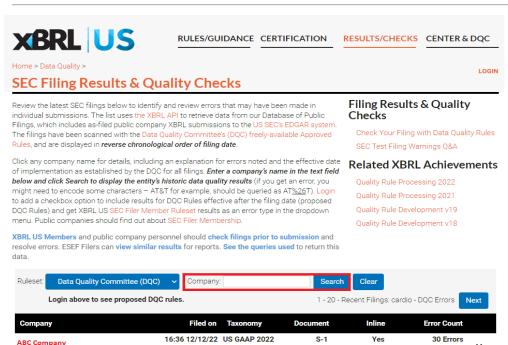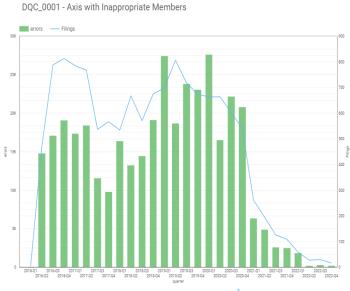Jason Tedesco, P3 Data Systems

Paul Wroten, RDG Filings

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Data Quality Validation Rules

Year	Number of DQC Rules Approved	US GAAP	IFRS	Both
2015	7	4	0	3
2016	5	4	0	1
2017	18	18	0	0
2018	12	11	0	1
2019	6	1	4	1
2020	18	11	7	0
2021	17	16	1	0
2022	16	11	2	3
Total	99	76	14	9
	Total Number of DQC Rules	US GAAP	IFRS	Both
Release #20	7	7	0	0
	106	83	14	9

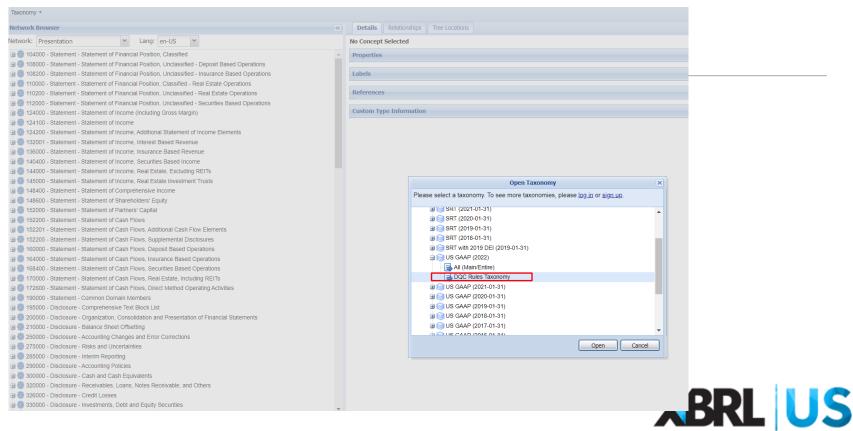# Data Quality Rules Results

SEC EDGAR System Support for DQC Rules

XBRL US Data Quality Rules Taxonomy (DQCRT)

- Rules approved by FASB Acceptance Program included in DQCRT
- 15 rules have been added to DQCRT so far:
  - DQC_0001 Axis with Inappropriate Members
  - DQC_0004 Element Values Are Equal
  - DQC_0005 Context Dates After Period End Date
  - DQC_0006 DEI and Block Tag Date Contexts
  - DQC_0008 Reversed Calculation
  - DQC_0009 Element A Must Be Less Than Or Equal To Element B
  - DQC_0015 Negative Value
  - DQC_0033 Document Period End Date Context
  - DQC_0036 Document Period End Date
  - DQC_0044 Accrual Items Used in Investing/Financing Cash Flow Reconciliation
  - DQC_0048 Required Calculation Parent Element in Cash Flow
  - DQC_0060 Element Dependence For Specific Elements
  - DQC_0079 Extension Members

- More rules will be added in future US GAAP Taxonomy releases
- If triggered by a problem in a filing, the SEC EDGAR system will send a warning message to the issuer

FASB US GAAP Taxonomy 2022

Use the rules (*before* SEC submission)

- DQC certified software (https://xbrl.us/data-quality/certification/)
- Check your filing on XBRL US (https://xbrl.us/data-quality/filing-results/check-filing/)

Certent Disclosure Management
from Certent
http://www.certent.com/

CERTENT
an insightsoftware company

Current Rules Release Certification **17**

ActiveDisclosure℠
from Donnelley Financial Solutions
https://www.dfinsolutions.com/products/activedisclosure

DFIN

Current Rules Release Certification **18**

PROfile™
from Broadridge Financial Solutions
https://www.broadridge.com/financial-services/corporate-issuer/issuer/streamline-disclosure-and-stay-in-compliance/annual-compliance

Broadridge

Current Rules Release Certification **17**

RaptorXML + XBRL Server
from Altova
https://www.altova.com/raptorxml

ALTOVA

Current Rules Release Certification **18**

Disclosure Management Solution
from DataTracks
http://www.datatracks.com/

DataTracks

Current Rules Release Certification **17**

Workiva Platform
from Workiva
https://www.workiva.com

workiva

Current Rules Release Certification **19**

XML Edge
from EDGAR Agents
https://edgaragents.com/

EdgarAgents

Current Rules Release Certification **19**

Toppan Merrill Bridge™
from Toppan Merrill
https://toppanmerrill.com/bridge/

TOPPAN
TOPPAN MERRILL

Current Rules Release Certification **19**

CPE Questions

Typed Dimension Axis Restriction

Rule function

This rule is intended to identify those cases where a Business Development Corporation (BDC) used more than one dimension on a fact to identify the details of a security position. BDC reporting requires that companies list the individual investments in an investment schedule. To report each individual investment a typed dimension must be used by the filer. The values on the specific line of the investment schedule must be tagged with the same typed dimension member and only that dimension member. No additional axis should be associated with a fact that represents the details of an investment position, such as the interest rate or face value.

The rule identifies those facts where the filer has associated the fact with one of the following axis:

- InvestmentIdentifierAxis
- SecuritySoldShortIdentifierAxis
- OpenOptionContractIdentifierAxis
- OpenFuturesContractIdentifierAxis
- OpenForwardForeignCurrencyContractIdentifierAxis
- OpenSwapContractIdentifierAxis

The rule then checks if the fact only has one axis. If the fact has more than one axis then the rule flags an error.

There is one exceptional case where two dimensions can be associated with the fact. That case is when the filer also includes the axis InvestmentCompanyNonconsolidatedSubsidiaryAxis. This axis is used when the filer reports the investments for a non consolidated subsidiary.

Problem solved by the rule

The rule is intended to ensure consistency of BDC filings. The investment schedule could be tagged with multiple dimensions depending on the presentation. This rule ensures that investment disclosures are consistent across filers irrespective of the presentation used.

Example rule message

The filing reports a value of 1,200,000 for the concept BondFaceValue using the InvestmentIdentifierAxis.

If the InvestmentIdentifierAxis is used no other axis should be used. Remove any additional axis on this fact.

Period: 2021-12-31
Dimensions: FinancialInstrumentAxis=MortgageBackedSecurities, InvestmentIdentifierAxis=ABCBond
Unit: USD

Rule Element ID: 9864
Rule version: 20.0.0

DQC Rule Set 20 – *for Business Development Companies (143)*

Derivative Position Extensible Enumeration

Rule function

This rule checks that the value of the element Derivative Position Extensible Enumeration is either CallOptionMember or PutOptionMember.

The rule then checks that these values are consistent with those defined in the taxonomy.

Problem solved by the rule

The rule is intended to ensure that the extensible enumeration value is correct.

Example rule message

The filing reports a value of CallOptionsMember for the concept DerivativePositionExtensibleEnumeration. This concept can only use the values of either CallOptionMember or PutOptionMember. Please change the value to one of these members or select another element.

Period: 2021-12-31
Dimensions:

Rule Element ID: 9865
Rule version: 20.0.0

DQC Rule Set 20 – *for all other US GAAP issuers (144)*

No Balance Attribute in Financial Statements

Rule function

This rule checks that financial statement line items that are extensions in the filing have a balance attribute. The rule only checks those concepts in the financial statements that are leaf items. This is intended to exclude interim calcs that are often defined on the cash flow statement that do not have a balance attribute.

Problem solved by the rule

The rule is intended to ensure that all extension items include sufficient metadata to determine the general categorization and meaning of the extension item.

Example rule message

The filing reports a value for the extension concept MyAssets in the statement 100001 – Statement – Statement of Financial Position. This monetary concept appears in the statement but does not have a balance type defined. All monetary items defined in 100001 – Statement – Statement of Financial Position should have a balance type of debit or credit.

Concept: MyAssets
Period: 2021-12-31
Dimensions:

Rule Element ID: 9866
Rule version: 20.0.0

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DQC Rule Set 20 – *for all other US GAAP issuers (145)*

Inappropriate Cash Flow Presentation

Rule function

This rule checks that the presentation structure of the cash flow statement is indented correctly. The rule checks three aspects of the presentation.

The first aspect of the rule checks that the presentation descendants of the element NetCashProvidedByUsedInFinancingActivitiesAbstract does not include any elements that are descendants of the Investing Activities Abstract, the Operating Activities Abstract or Effect on Exchange Rate Abstract as defined in the US GAAP taxonomy. If any of these items appear as a descendant of Financing Activities, then an error is flagged.

The second aspect of the rule checks that the presentation descendants of the element NetCashProvidedByUsedInInvestingActivitiesAbstract does not include any elements that are descendants of the Financing Activities Abstract, the Operating Activities Abstract or Effect on Exchange Rate Abstract as defined in the US GAAP taxonomy. If any of these items appear as a descendant of Investing Activities, then an error is flagged.

The third aspect of the rule checks that the presentation descendants of the element IncomeStatementAbstract does not include any elements that are descendants of the concept IncreaseDecreaseInOperatingCapitalAbstract as defined in the US GAAP taxonomy. If any of these items appear as a descendant of the IncomeSTatementAbstract concept, then an error is flagged.

Problem solved by the rule

The rule is intended to ensure that filers are building the presentation linkbases correctly. WIth the adoption of inline XBRL, many filers no longer review the SEC renderer. This rule is intended to identify those issues that arise that would not be obvious from looking at the inline filing but would be obvious when looking at the SEC renderer.

Example rule message 1

The company has reported the concept PaymentsToAcquireIntangibleAssets as a descendant of the presentation concept NetCashProvidedByUsedInFinancingActivitiesAbstract. This concept is not a component of financing activities and should be presented outside of this group in the presentation linkbase.

Rule Element ID: 9867
Rule version: 20.0.0

Example rule message 2

The company has reported the concept ProceedsFromRepaymentsOfCommercialPaper as a descendant of the presentation concept NetCashProvidedByUsedInInvestingActivitiesAbstract. This concept is not a component of investing activities and should be presented outside of this group in the presentation linkbase.

Rule Element ID: 9868
Rule version: 20.0.0

Example rule message 3

The company has reported the concept IncreaseDecreaseInBalancingAccountUtility as a child of the presentation concept IncomeStatementAbstract. This concept is not a component of the income statement and should not be presented within the income statement.

Rule Element ID: 9869
Rule version: 20.0.0

DQC Rule Set 20 – *for all other US GAAP issuers (146)*

Incorrect Period Reported

Rule function

This rule checks that period reported for the 10-K or 20-F is a valid annual period. The rule identifies the concepts used in the Income Statement and identifies those facts that match the DocumentPeriodEndDate start date and end date. It then identifies those durational periods that have a matching end date but a different start date. If the number of annual periods is less than the total count of other durations on the financial statements then an error id returned.

Problem solved by the rule

The rule is intended to ensure that filers do not enter the incorrect start date on the values reported in the financial statements.

Example rule message

The company has reported a 10-K or 20-F but the majority of the values reported on the Income Statement are for a period other than a year. Please check that the values used on the Income Statement represent a full year for the required reporting period.

Rule Element ID: 9870
Rule version: 20.0.0

DQC Rule Set 20 – *for all other US GAAP issuers (147)*

Incorrect Sign of Elimination Items

Rule function

This rule checks that values using the elimination member on the consolidated items access are consistent with the value reported for the line item of the consolidated amount. The rule runs for those elements that are identified as non neg items in DQC rule 0015. It looks where these elements have been used with the eliminations member on the consolidated items axis and compares the sign of the eliminated value to the sign of the default value of the consolidation items axis. If the signs of the two values are the same then an error is produced. If the value of the elimination has any of the members associated with a value that can flip the sign such as an adjustment member, then the rule will not fire. This uses the same logic that is used for rule DQC_0015.

Problem solved by the rule

The rule is intended to ensure that filers do not enter a positive value for the elimination value when it should be negative.

Example rule message

The concept us-gaap:PrepaidExpenseAndOtherAssetsCurrent with an elimination value of 725,000 has a sign which is the same as the defaulted value for us-gaap:PrepaidExpenseAndOtherAssetsCurrent of 46,031,000. It is expected that the defaulted value and eliminations for the line item us-gaap:PrepaidExpenseAndOtherAssetsCurrent would be the opposite of each other.

Review the elimination amount to determine that the sign is correct.

The properties of this us-gaap:PrepaidExpenseAndOtherAssetsCurrent fact are:

Period: 2021-12-31
Dimensions: srt:ConsolidationItemsAxis=srt:ConsolidationEliminationsMember, dei:LegalEntityAxis=he:HawaiianElectricCompanyAndSubsidiariesMember
Unit: USD

Rule Element ID: 9871
Rule version: 20.0.0

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OCI Items In Income

Rule function

This rule checks if OCI items have been included in the calculation of net income. The rule identifies the components of Net Income by getting the calculation descendants of either NetIncomeLoss, ProfitLoss, NetIncomeLossAvailableToCommonStockholdersBasic or NetIncomeLossAvailableToCommonStockholdersDiluted and determining that none of these descendants are an OCI item. OCI items are determined by taking the elements in the calculation extended link roles of the US GAAP taxonomy for other comprehensive income.

Problem solved by the rule

The rule is intended to ensure that filers do not use OCI elements as a component of net income. This helps to prevent filers from selecting an incorrect element.

Example rule message

The company has reported the concept us-gaap:OtherComprehensiveIncomeLossAvailableForSaleSecuritiesTax as a descendant of Income Loss in the calculation linkbase of the filing. This element is an OCI item and should not be included as a component of Net Income Loss.

Rule Element ID: 9872
Rule version: 20.0.0

CPE Questions

Upcoming events from XBRL US

Webinar: Digitizing Environmental Social Governance (ESG) Disclosures
- ◦ Register: https://xbrl.us/events/230202/