Data Quality Committee
Conference call
July 6, 2023
Meeting Notes

Attendees

<u>Committee Members</u>

Campbell Pryde, Shelly Wavrin, Charles Kessler, Jennifer Liu, Pranav Ghai, Glad Sully, Brian Bracey

<u>Absent</u>

Adrian Cloutier, Mohini Singh,

<u>Staff</u>

Ami Beers, David Tauriello

<u>Observers</u>

Louis Matherne

Welcome

- Shelly welcomed attendees and introduced the agenda.

Minutes Approval

- Motion to approve minutes from March 21, 2023 DQC meeting, by Pranav Ghai, seconded by Jennifer Liu
- Vote (For 7, 0 Against)
- Motion passed. March 21, 2023 DQC meeting minutes approved.

Review and Approval of Final Version 21 DQC Rules

- Campbell introduced Version 21:
    - Rule DQC_0148 OCI Items in Income and Income Items in OCI - This rule identifies if OCI items have been included in the calculation of net income. The rule is being updated in version 21 to also identify if net income items are included in OCI.
    - Rule DQC_0149 Use of Noncurrent Assets -This rule is intended to ensure that filers use the NoncurrentAssets element appropriately. The element should be used for long-lived assets reported as part of the geographical segment (not a component of the balance sheet). The rule checks that the element is included in the ScheduleOfRevenuesFromExternalCustomersAndLongLivedAssetsTable.

- o Rule DQC_0150 Segment Reporting Inconsistencies - This rule checks for inconsistencies in segment reporting disclosure by identifying where filers have used inappropriate members or have excluded members on the consolidation items or segment axes. There are four components to this rule:
  - Members of the consolidation items axis aggregate correctly
  - Members of the statement business segments axis aggregate correctly
  - Business segment has been used with a line item without the operating segment member
  - Number of segments are less than the number of segment members on the segment axis
- o Rule DQC_0153 Financial Statement Table Placement -This rule identifies monetary items not included as primary items of the financial statement disclosure tables.
- o Rule DQC_0154 Tax Reconciliation Items -This rule checks the tax reconciliation disclosure and flags whether the following elements have been used correctly:
  - Foreign-derived intangible income
  - Global intangible low-taxed income
  - Base erosion and anti abuse tax
  - Foreign Income Tax Rate Differentials
- o Rule DQC_0155 Exchange Rate Effect Inconsistency - This rule checks that the exchange rate impact on the cash flow statement is calculated correctly. The rule flags when the element CashCashEquivalentsRestrictedCashAndRestrictedCashEquivalentsPeriodIncreaseDecreaseIncludingExchangeRateEffect excludes an effect of exchange rate element in its calculation.
- o Rule DQC_0156 Basic and Diluted Extension Elements -This rule identifies when filers create extensions to report basic and diluted amounts as a single element. Basic and diluted amounts are required to be tagged separately. This rule will apply to both US GAAP and IFRS filings.
- o Rule DQC_0157 Bank Measures Less than One Percent -This rule identifies when filers have reported values for capital adequacy ratios defined in the US GAAP taxonomy that are less than 1 percent.
- o Rule DQC_0158 Related and Nonrelated Party Axis and Extensible Enumerations - This rule identifies when filers have defined facts using the RelatedAndNonrelatedPartyStatusAxis and the extensible enumerations associated with this axis. This axis will be deprecated in the 2024 taxonomy.

- Motion to approve rules DQC_0148, DQC_0149, DQC_0150, DQC_0153, DQC_0154, DQC_0155, DQC_0156, DQC_0157, DQC_0158 effective September 1, 2023 by Pranav Ghai, seconded by Jennifer Liu
- Vote (For 7, 0 Against)
- Motion passed. DQC_0148, DQC_0149, DQC_0150, DQC_0153, DQC_0154, DQC_0155, DQC_0156 DQC_0157, DQC_0158 effective September 1, 2023.

Review and Approval of Version 22 DQC Rules for Public Review

- Campbell introduced Version 22 proposed rules:
    - Rule DQC_159 Financial Statement Abstract Concepts - This rule identifies when the filer has not used all three financial statement abstract concepts in a filing. The rule identifies the presentation statement networks in the filing and checks that the networks identified include the abstract elements IncomeStatementAbstract, StatementOfFinancialPositionAbstract, StatementOfCashFlowsAbstract. If one of these elements is missing from the filing then an error is generated. This rule applies to both US GAAP and IFRS filings.
    - Rule DQC_0160 Descendants of Nonrelated Party Members -This rule identifies when the filer has defined a member descendant of the element NonrelatedPartyMember and when the RelatedPartyMember is not included as a sibling to NonrelatedPartyMember.
    - Rule DQC_0161 Single Member Disaggregation - This rule identifies when the filer has used a single dimension member on one of the following axis:
        - VariableRateAxis,
        - RetirementPlanFundingStatusAxis,
        - InvestmentTypeAxis,
        - RetirementPlanTaxStatusAxis.
    - Rule DQC_0162 Trading Symbol - This rule identifies where the filer has used an invalid or inconsistent trading symbol. The rule checks that the trading symbol does not include invalid characters, identifies if the symbol is not applicable, and the symbol is upper case. This rule applies to both US GAAP and IFRS filings.
    - Rule DQC_0163 Segment Expenditure Addition to Long-Lived Assets - The rule is intended to ensure that filers use the element SegmentExpenditureAdditionToLongLivedAssets in the segment rather than the cash flow element or PPE additions element. This rule identifies where the filer has used the elements PaymentsToAcquirePropertyPlantAndEquipment or PropertyPlantAndEquipmentAdditions in the segment tables ScheduleOfSegmentReportingInformationBySegmentTable, or ScheduleOfRevenuesFromExternalCustomersAndLongLivedAssetsTable and has not included the element SegmentExpenditureAdditionToLongLivedAssets in the table
    - Rule DQC_0164 Use of Location Axis - The rule is intended to identify inappropriate use of the Location Axis in the taxonomy. The rule has 5 different checks on the following axes:
        - BalanceSheetLocationAxis,
        - IncomeStatementLocationAxis,
        - OtherComprehensiveIncomeLocationAxis
    - Rule DQC_0165 Useful Life of Leasehold Improvements - This rule supports FASB guidance for the reporting of the useful life of term leases. If the element PropertyPlantAndEquipmentUsefulLifeDescriptionOfTermExtensibleEnumeration is used with a value of UsefulLifeTermOfLeaseMember, then this implies that no value would be provided for the concept PropertyPlantAndEquipmentUsefulLife. If the useful life is the actual term of the lease then the extensible enumeration does not have to be provided. This rule identifies where the filer has used the extensible enumeration element PropertyPlantAndEquipmentUsefulLifeDescriptionOfTermExtensibleEnumeration with LeaseholdImprovementsMember on the

PropertyPlantAndEquipmentByTypeAxis with a value of 'UsefulLifeTermOfLeaseMember'.

- Motion to approve rules DQC_0159, DQC_0160, DQC_0161, DQC_0162, DQC_0163, DQC_0164, DQC_0165, for public review on July 15, 2023 by Pranav Ghai, seconded by Brian Bracey
- Vote (For 7, 0 Against)
- Motion passed. DQC_0159, DQC_0160, DQC_0161, DQC_0162, DQC_0163, DQC_0164, DQC_0165, for public review July 15, 2023.

Future Meeting – October 5, 2023, in-person in Washington D.C. with SEC Staff. There will be a web link available. DQC members will be polled on whether they will attend in-person or virtually

Meeting adjourned 12:50 PM

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