
Reporting to Machines

Diffusion and adoption of XBRL among Austrian publicly listed companies

FH-Prof. Dr. Tassilo Pellegrini

FH-Prof. Mag. Monika Kovarova-Simecek

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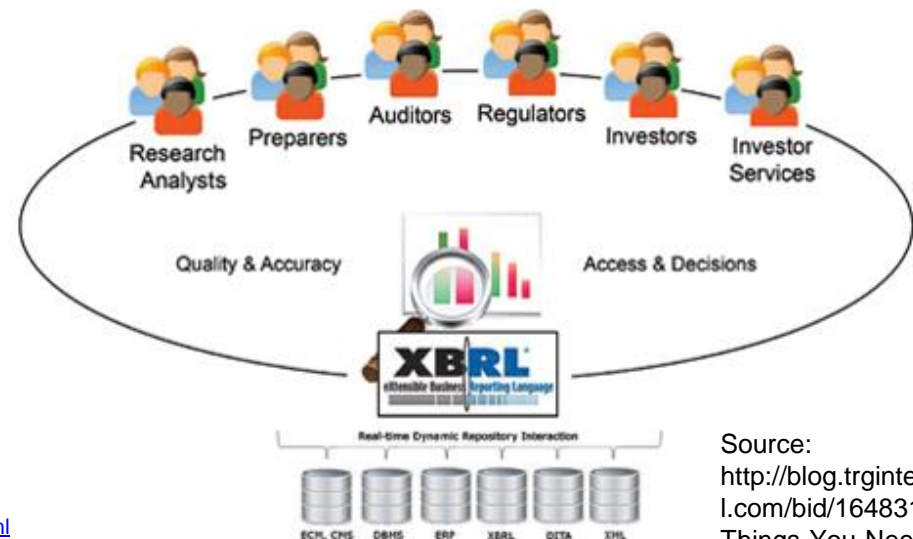
- Financial Reporting
 - Status Quo & Challenges
- XBRL – eXtended Business Reporting Language
- Study on XBRL diffusion and adoption
 - Sample
 - Results
- Conclusion, Limitations and Outlook

Financial Reporting Status Quo & Challenges

The screenshot shows a web browser displaying the 'Annual Reports' page of a company. The page features a navigation menu with 'Investor Relations' selected. A sidebar on the left lists 'Investor Relations', 'Highlights', 'News', 'Strategy', 'Share', 'Debts', and 'Results Center'. The main content area is titled 'Annual Reports' and shows a list of reports for 2014, including 'Annual Report according to IFRS PDF (22.40 MB)', 'Annual Financial Report PDF (3.52 MB)', 'Corporate Governance Report PDF (0.13 MB)', and 'Report by the Supervisory Board PDF (0.03 MB)'. A stock chart is visible on the right side of the page. A 'NEW WAYS' banner is also present. Four callout boxes highlight specific challenges: 'Investors and regulators in focus' points to the 'Investor Relations' menu; 'Standardized annual reports – „one size fits all“' points to the list of PDF reports; 'Heterogeneity of the audience is neglected (i.e. employees, analysts or data providers).' points to the stock chart; and 'No interactive data! Web-based communication of financials is an extension of print documents as pdf or html.' points to the PDF links.

XBRL – eXtended Business Reporting Language

- XML scripting language (XBRL Consortium - <https://www.xbrl.org/>)
- Represents data in a **standardized, machine processable** form, thus allowing maximum flexibility in the **reuse** and **contextualization**
(Graning et al, 2011)
- Intended for **modelling, exchanging**, and automatically **processing** business and financial **information**
(Garcia & Gil, 2010: 103)
- **Application Areas:** Accounting, Internal Reporting, External Reporting
- **Users:** Regulators, Companies, Governments, Data Providers, Analysts, Investors, Accountants, Developers



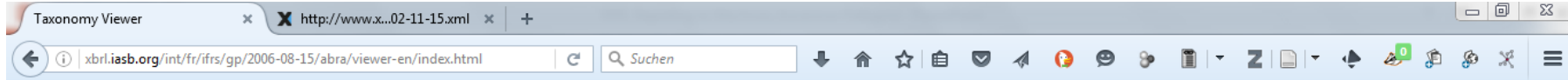
<http://xbrl.iasb.org/int/fr/ifrs/gp/2006-08-15/abra/viewer-en/index.html>

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Source:
<http://blog.trginternational.com/bid/164831/Three-Things-You-Need-to-Know-About-XBRL>

XBRL – eXtended Business Reporting Language

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International Accounting Standards Committee Foundation®

IFRS - General Purpose Taxonomy
2006 Final

views | statistics

presentation | calculation | labels | references | definitions

presentation view (grouped by link roles)

Accounting Policies

Accounting Policies

Overall Considerations

Entity Information

- Name of Reporting Entity
- Name of Reporting Entity at Preceding Balance Sheet Date
- Domicile of Reporting Entity
- Legal Form of Reporting Entity
- Country of Incorporation
- Address of Registered Office or Principal Place of Business
- Description of Operations and Principal Activities
- Name of Parent Entity
- Name of Ultimate Parent Entity of Group
- Explanation of Number of Employees

Going Concern Information

Presentation of Financial Statements

- Detail of Reclassification of Financial Statement Items
- Change in Reporting Period
- IFRS Compliance and Adoption

Assets Policies

- Equity and Liabilities Policies
- Income Statement Policies
- Other Policies

Changes in Accounting Estimates and Policies

Balance Sheet, Classified Format

Balance Sheet, Order of Liquidity Format

Balance Sheet, Net Assets Format

Balance Sheet, Portfolio Format

Cash Flow, Direct Method

Cash Flow, Direct Method, Financial Institutions

Cash Flow, Indirect Method

Cash Flow, Indirect Method, Financial Institutions

Classes, Income Statement

Classes of Assets

Classes of Equity

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DATA INSIGHTS | DEMOS & TOOLS | UPDATES

LOGIN

Using Data

Multiple years of historical data for thousands of public companies are available for free from the SEC's EDGAR system. This section features specific XBRL use cases, tools and applications, as well as quotes from investors and data providers that use XBRL data. Investors and others can also access the data directly from the SEC's datasets or RSS feed.

contact info@xbrl.us to share details for your use case or tool.

Use Cases

- Conduct lease calculation analysis.** Templates in Excel or Google Sheets customized for any company or time period.
- Perform margin analysis.** Templates in Excel or Google Sheets can be used for margin analysis covering any time period or company.
- Illustrate Economic and Financial Trends with Corporate Data.** Uses XBRL data to track trends faster (courtesy of Calcbench).
- Post Real-time Corporate Data to Company Web Site.** As-reported financial information automatically within 24 hours of SEC submission. Click on "Interactive" or "Interactive Financials" from either sample below.

<https://xbrl.us/use/>

Interactive Analyst Center™

Income Statement (USD)

Quarterly	Annual	Description	YTD Q3 15	YTD Q3 14
		Revenue	1,147,339	1,000,129
		Expenses	(44,000,000)	(44,507,000)
		Income (Loss) from operations	(42,852,661)	(43,356,871)
		Gain on sales of land and building improve...	(84,748)	(137,738)
		Income (loss) before benefit from provision...	(42,937,409)	(43,494,609)

<http://apps.indigotools.com/IR/IAC/?Ticker=CRM&Exchange=NYSE>

<http://www.virtuaresearch.com/>

<http://xbrl.iasb.org/int/fr/ifrs/gp/2006-08-15/abra/viewer-en/index.html>

XBRL Diffusion and Adoption among Aus

XBRL – Benefits & Pitfalls

Benefits

- **Interoperability**
 - a universally accepted information sharing tool.
 - open standard – no vendor lock-in
- **Flexibility**
 - **contextualisation**: enriching information
 - **customisation**: targeted communication
 - **automation**: cost reduction in data processing
- **Persistence**
 - transparency, validation, and reusability.

Pitfalls

- **Complexity**
 - customization increases technical complexity
 - productivity paradox
- **Security**
 - facilitates near real-time disclosure.
 - increases the potential for error.
 - may increase information abuse.

XBRL – Worldwide View



Mandatory:

Brazil – SICONFI - Public Sector Account. & Fiscal Inf. System

Belgium - NBB Annual Financial Statement

Chile - SVS Listed Company Filing

Columbia - Financial Supervision & Business Registrar

Denmark - Danish Business Authority

EU - European Banking Authority COREP/FINREP

Germany - German E-Bilanz

Indonesia - Banking Regulatory Reporting System

Japan - Financial Services Agency Next Generation EDINET

Mexico - Mexican Securities Regulation

Panama - Panama Banking Supervision

Peru - Peru Superintendency of Securities (VPS)

Spain - Spanish Business Register

UAE - ESCA Securities Filings

UK - HMRC Corp. Tax Returns & Comp. House Financ. Stmt. Filing

USA - SEC Interactive Data & FFIEC Call Reports

Voluntary (Europe):

Austria, Czech Rep., France, Greece, Ireland, Italy, Luxembourg, Norway, Poland, Portugal, Sweden, Turkey

Sources:

<https://www.xbrl.org/the-standard/why/who-else-uses-xbrl/>

<https://www.xbrl.org/the-consortium/about/jurisdictions/>

http://www.bde.es/f/webbde/SES/cenbal/colabora/ficheros/Doc4-1-ERICAWG_xbrl_2015_F.pdf

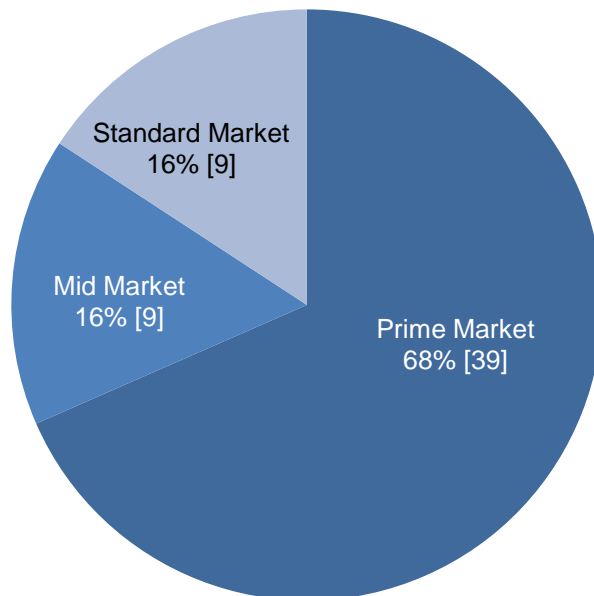
Study on XBRL diffusion and adoption

Population and Methodology

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Austrian listed companies Equity Market



Response
rate 44%

25 evaluable responses

37 total responses

57 companies

Online questionnaire
for 2 weeks (Nov. 2015)

Source: http://en.wienerbourse.at/marketplace_products/segmentation/

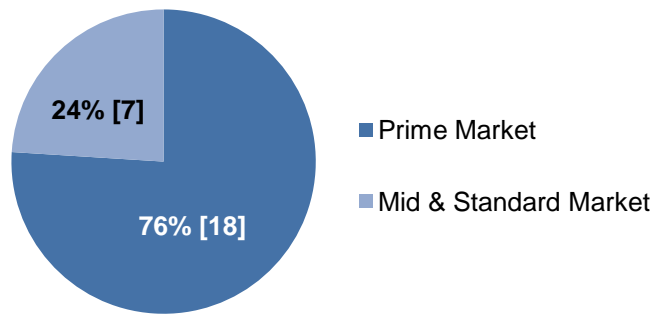
Study on XBRL diffusion and adoption

Sample (N=25)

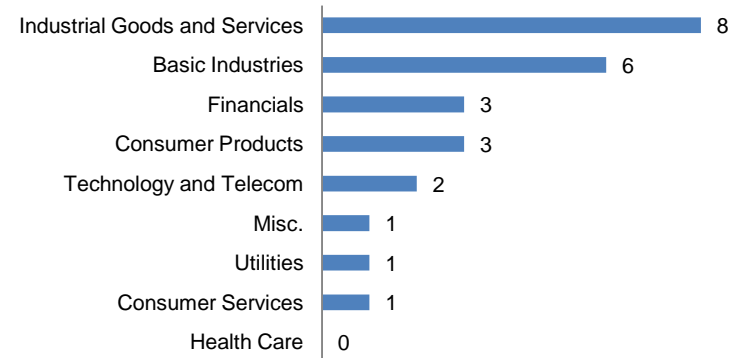
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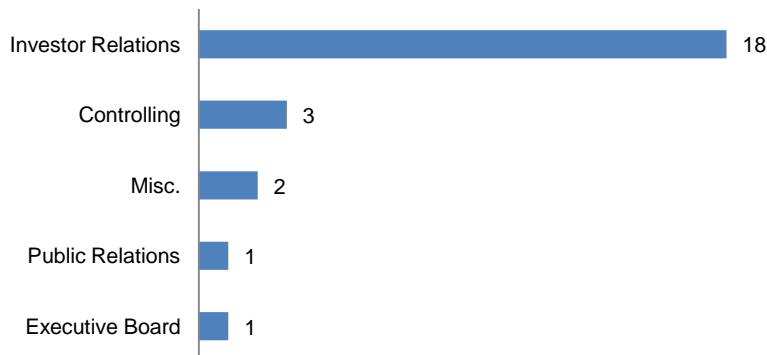
Market segmentation



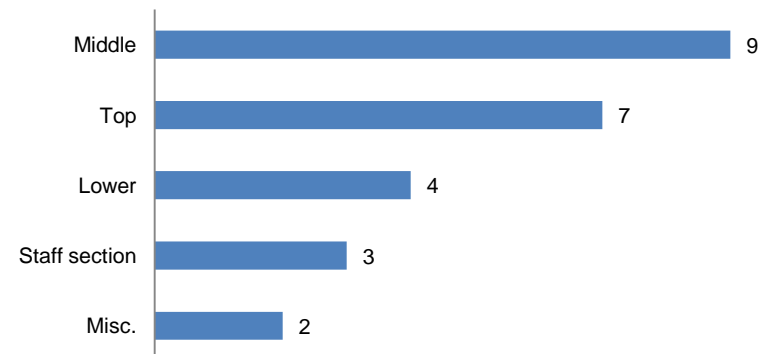
Industries



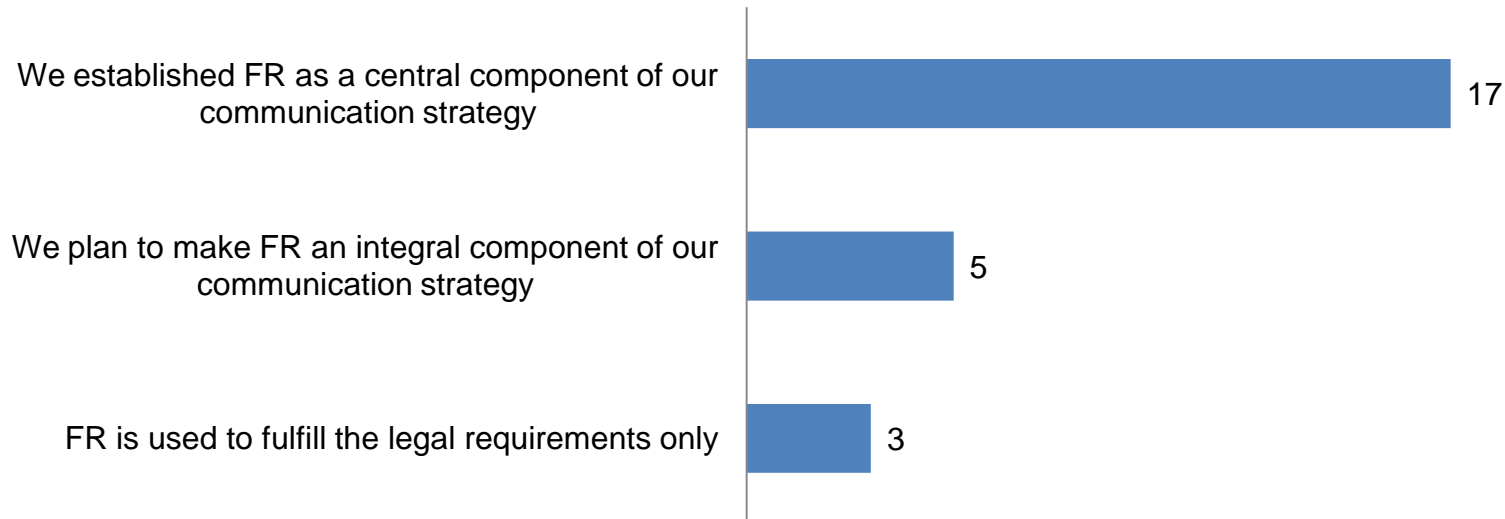
Respondents



Management Level



Role of Financial Reporting in the companies (N=25)



For 68% of all companies, Financial Reporting plays a crucial role in the corporate communication, and goes far beyond the fulfillment of legal requirements.

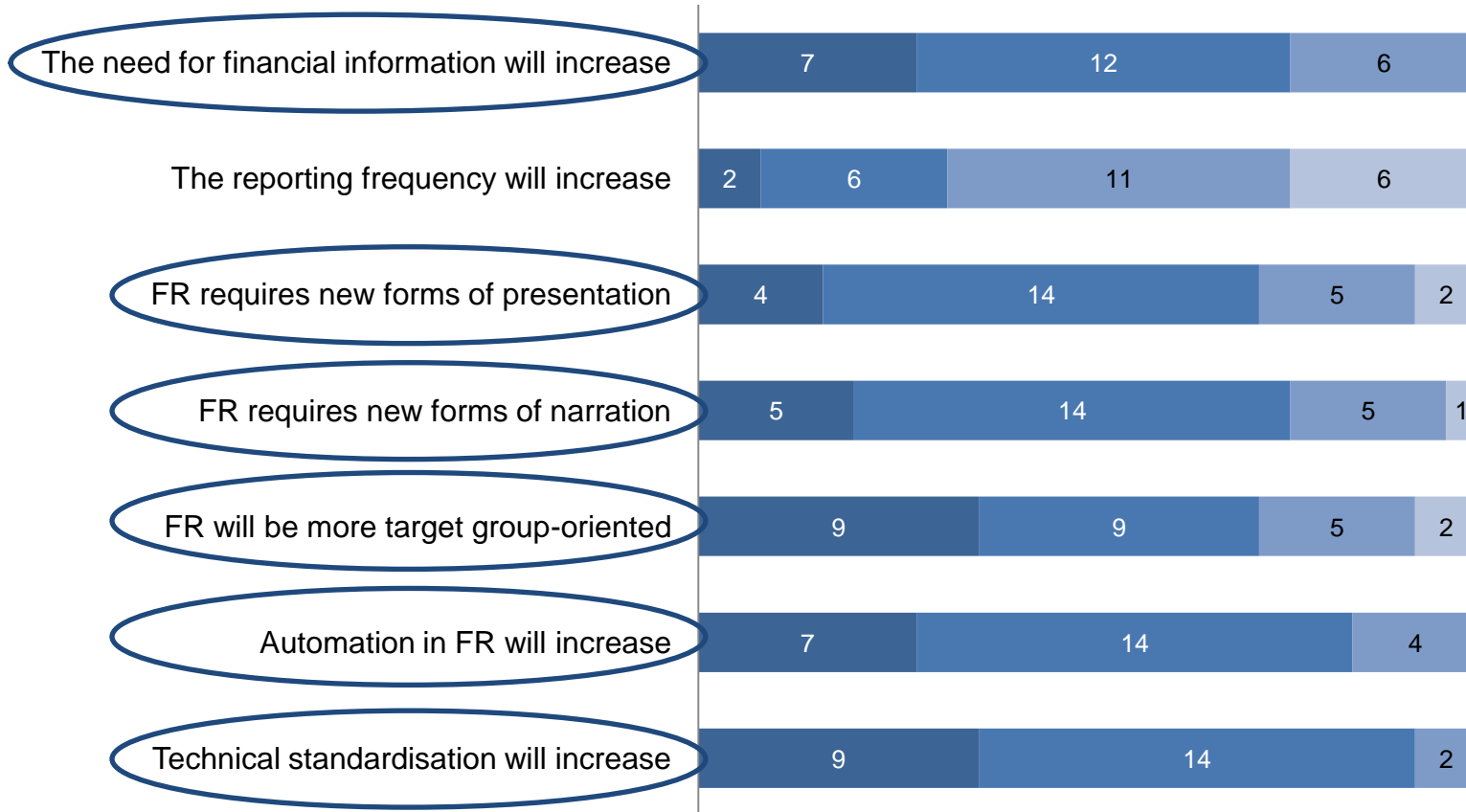
FR is important not only in the communication to investors and regulators, but also to other stakeholders affected by the financial prosperity of a company.

Trends in Financial Reporting

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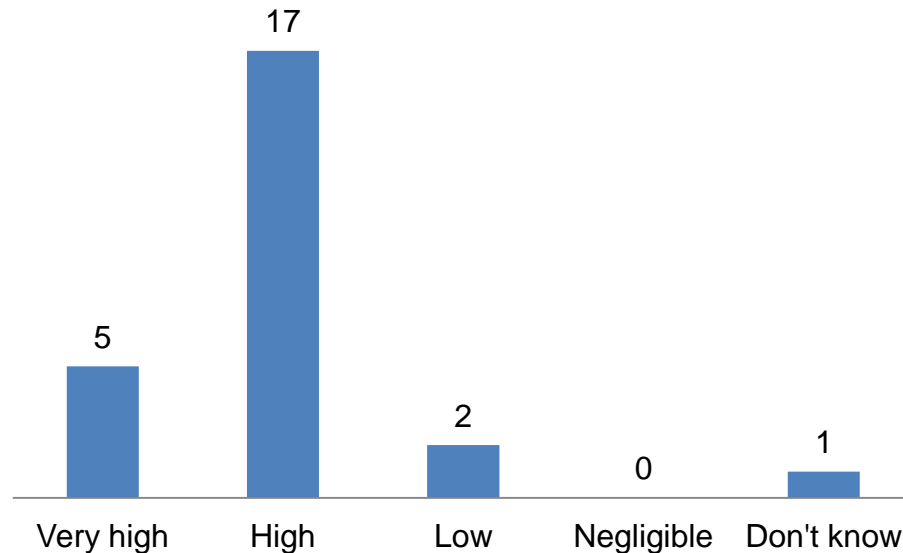
(N=25)

■ I fully agree ■ I somewhat agree ■ I rather disagree ■ I disagree



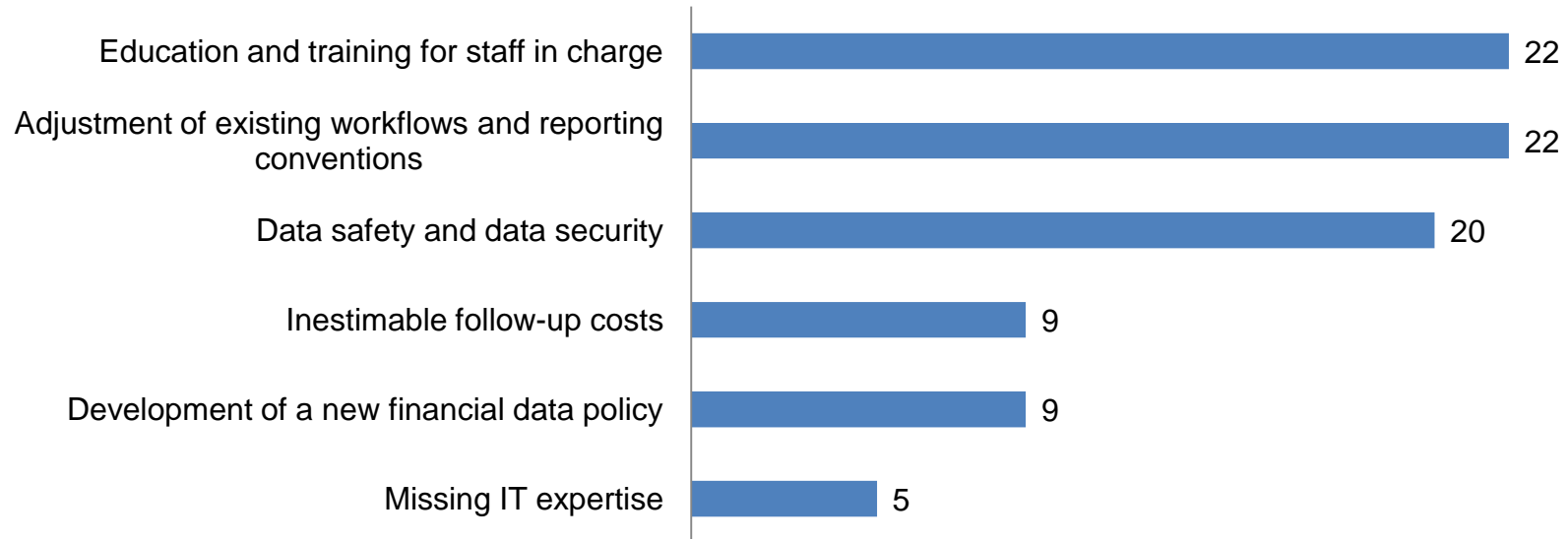
Future relevance of technical reporting standards (N=25)

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88% estimate the relevance of technical reporting standards high or very high.

Challenges of the implementation of technical reporting standards (N=25)



The two main hurdles seem to be related to **staff** and **processes**.

The technical challenge concerns the **data safety** (volatility, corruption) and **data security** (accessibility, reliability).

XBRL diffusion and adoption among Austrian companies

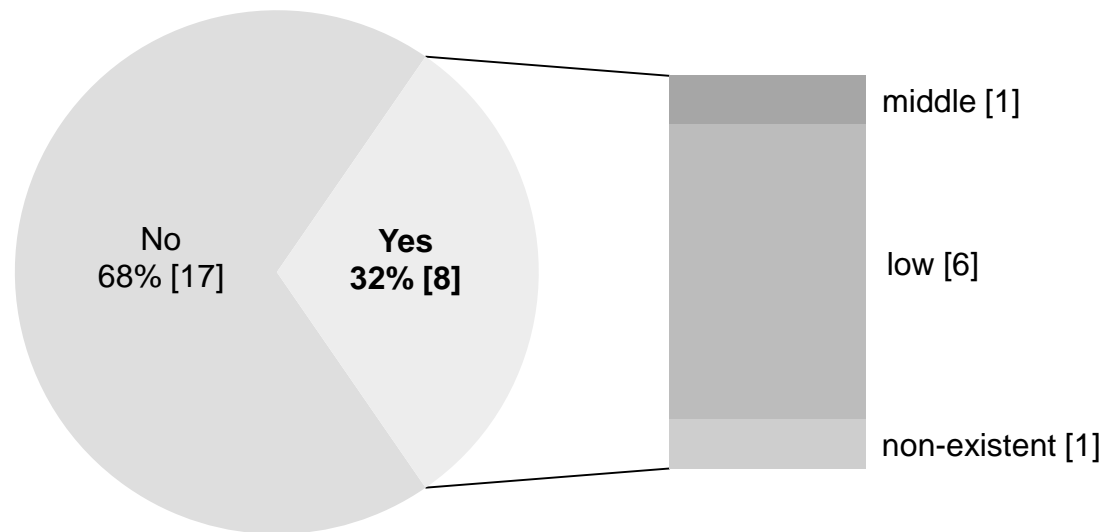
(N=25)

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Do you know XBRL?

What is your level of expertise?

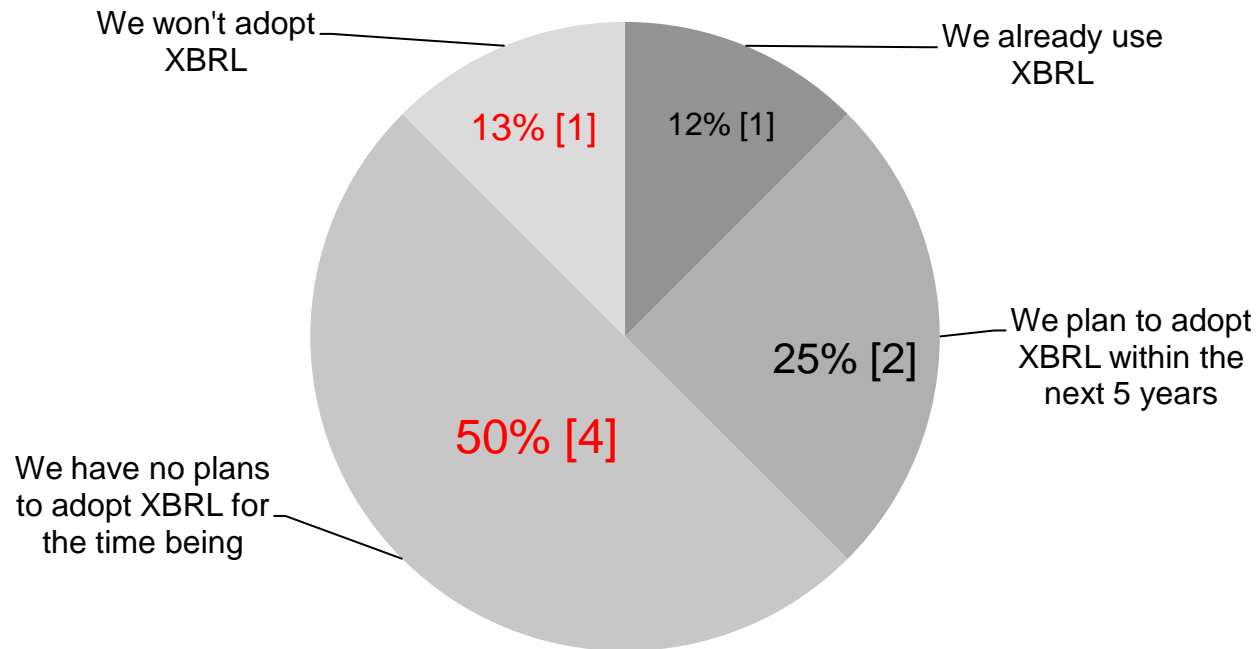


The gap between the high technical future standards and the poor preparedness of Austrian listed companies emphasizes the chance that companies might benefit from XBRL at many different levels, but are in danger to miss, if not reacting.

None of the respondents who knows XBRL describes himself as an expert.

Adoption of XBRL (N=8)

To what extent has XBRL been implemented in your company?



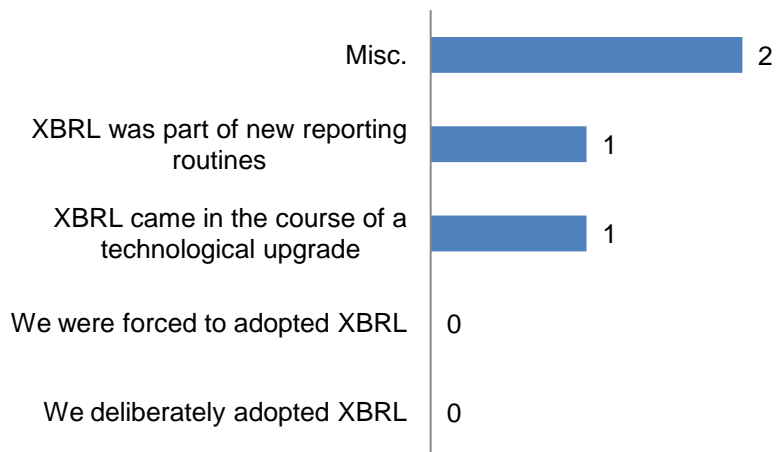
Only 12% use the new technical standard.

25% of the companies planing to adopt XBRL.

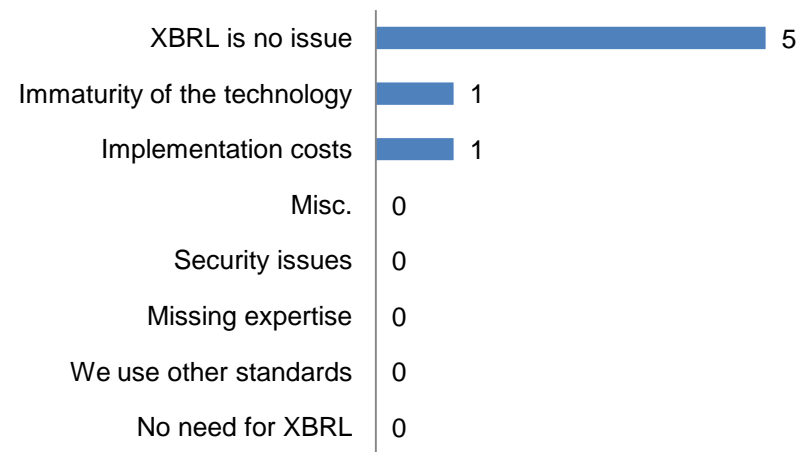
The vast majority of 63% is indifferent to the topic.

Reasons for the adoption of XBRL (N=3)

Reasons **for** the implementation of XBRL



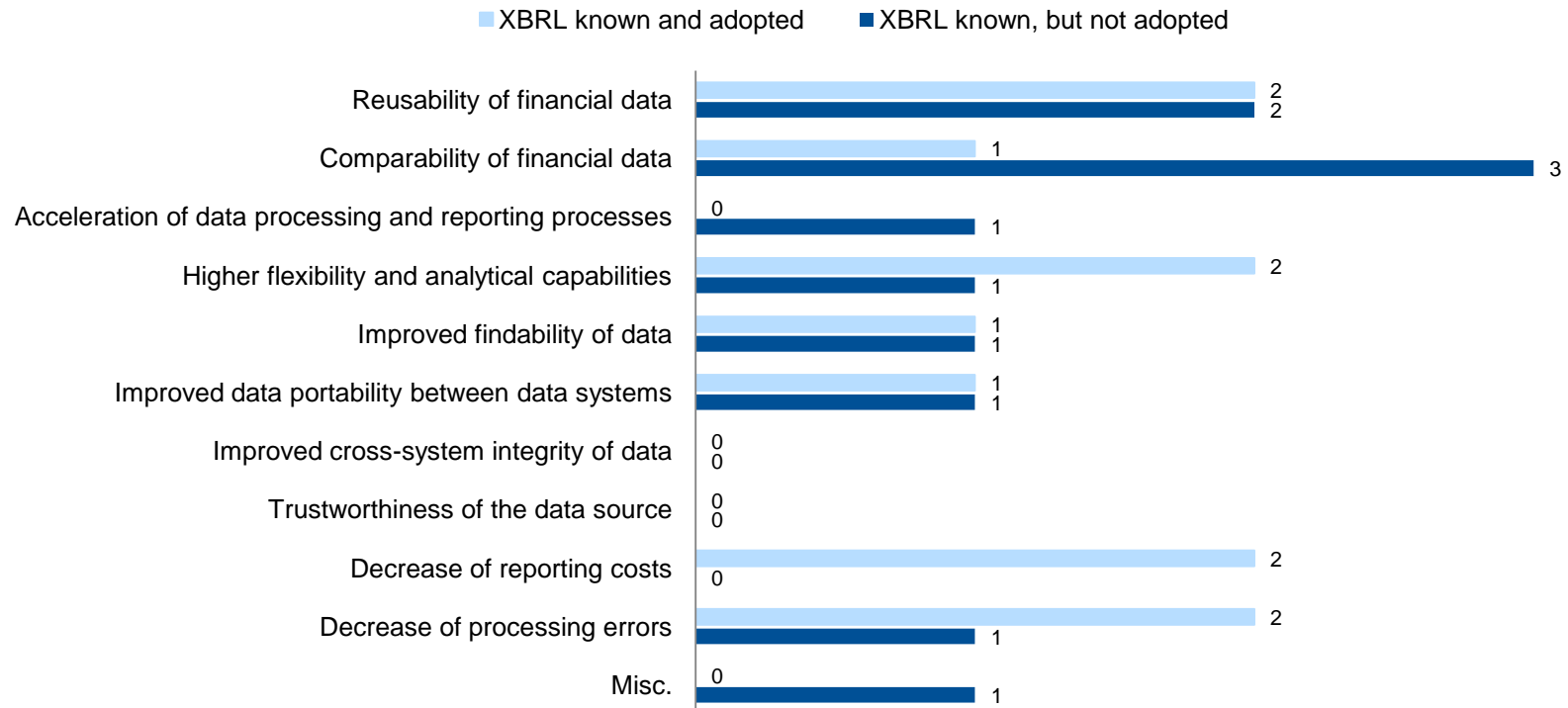
Reasons **against** the implementation of XBRL



If XBRL was adopted, then within adjustments of reporting practices or technical upgrades.

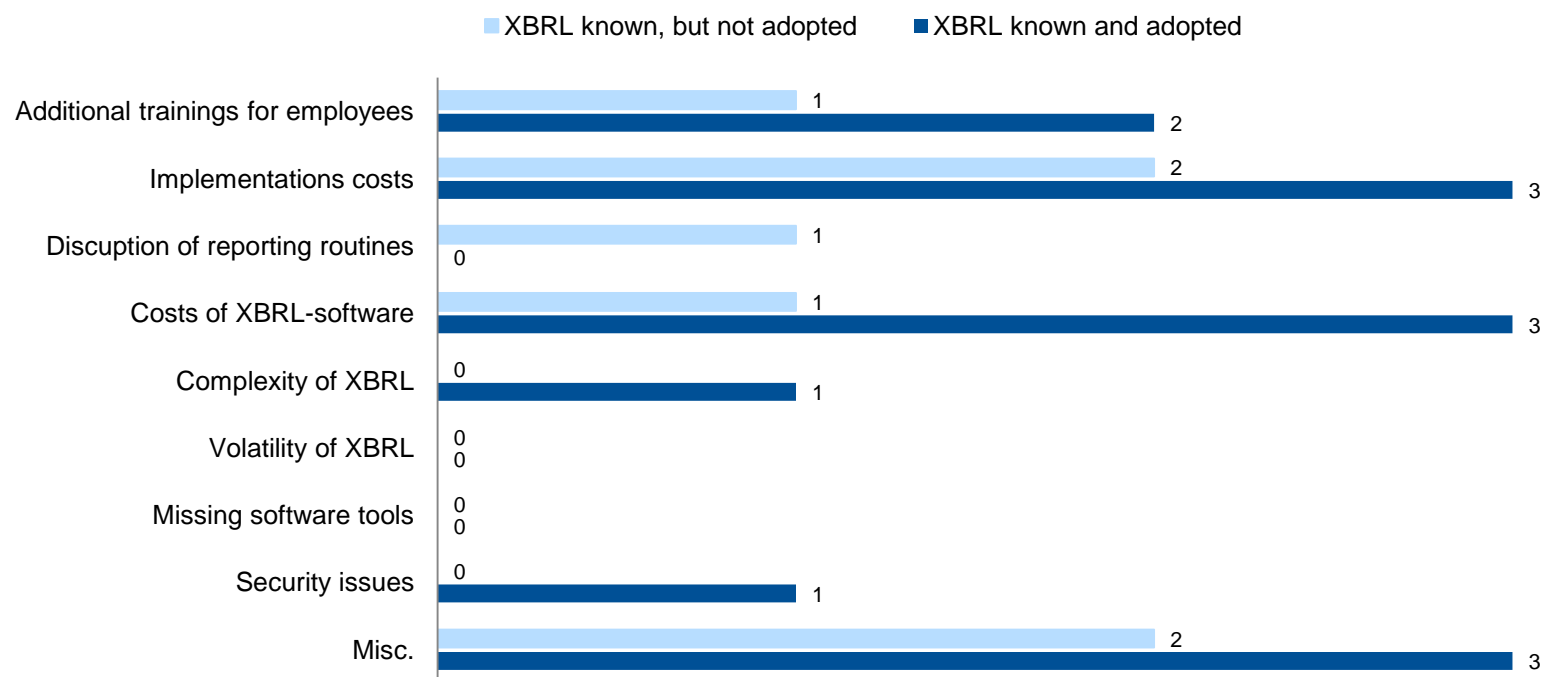
For the majority, XBRL doesn't seem to be an issue at all.

Advantages of XBRL (N= 8)



Reusability and comparability of financial data, higher flexibility and analytical capabilities, and decrease of processing errors are seen as the main advantages of XBRL.

Disadvantages of XBRL (N=8)



The main **disadvantages** seen by the respondents are the occurring **costs** for the XBRL software and its implementation.

The current technical development of XBRL which is accompanied by volatility of the software or the complexity of XBRL are not considered as a disadvantage at all.

Conclusion, Limitations and Outlook

- Studies in other european countries show that XBRL is promoted and adopted by governmental institutions / banking sector mainly.
- Privat sector lies behind with respect to the level of adoption of XBRL, presumably due to the missing internal / external incentive.
- There is a considerable awareness of the need and impact of new information technologies in the context of financial communication.
- The estimated relevance is contrary to the level of the knowledge, level of expertise, diffusion and adoption of new technical standards (XBRL) among Austrian listed companies.
- Currently, the disadvantages related to the implementation of XBRL are stronger perceived than the benefits which are not visible immediately.

- → Limitations:
 - Small sample – purely descriptive analysis
- → Future work:
 - Extend survey to other industries / stakeholders (govt, banks, analysts)
 - Qualify results – expert interviews

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Thank you for you attention, comments and feedback. We will very much appreciate it!