

FEE Congress Copenhagen–

XBRL : Implications and opportunities for the accountants


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Thursday 4th September 2008



Transforming Business Reporting

| (en millions d'euros) | NOTES | 2004 | 2005 |
|---|-----------|--------------|--------------|
| Chiffre d'affaires | | 7 013 | 7 562 |
| Autres produits opérationnels | | 51 | 60 |
| CHIFFRE D'AFFAIRES OPERATIONNEL | 3 | 7 064 | 7 622 |
| Charges d'exploitation | 4 | (6 238) | (6 636) |
| RÉSULTAT BRUT D'EXPLOITATION | 5 | 1 825 | 1 986 |
| Loyers | 6 | (790) | (837) |
| EXCÉDENT BRUT D'EXPLOITATION | | 1 035 | 1 149 |
| Amortissements et provisions | 7 | (423) | (432) |
| RÉSULTAT D'EXPLOITATION | 8 | 612 | 717 |
| Résultat financier | 9 | (101) | (122) |
| Quote part dans le résultat net des sociétés mises en équivalence | 10 | 2 | 8 |
| RÉSULTAT AVANT IMPÔT ET ÉLÉMENTS NON RÉCURRENTS | | 513 | |
| Charges de restructuration | 11 | (22) | |
| Dépréciation d'actifs | 12 | (52) | |
| Résultat de la gestion du patrimoine hôtelier | 13 | (8) | |
| Résultat de la gestion des autres actifs | 14 | (23) | |
| RÉSULTAT AVANT IMPÔT | | 408 | |
| Impôts | 15 | (158) | |
| RÉSULTAT NET DE L'ENSEMBLE CONSOLIDÉ | 17 | 250 | |
| Intérêts minoritaires | 25 | (23) | |
| RÉSULTAT NET PART DU GROUPE | | 233 | |

WHY XBRL ?



Source Reuters

| | Period End Date | |
|---|------------------|-----------------|
| | 31-déc.-2005 | 31-déc.-2004 |
| | Normal | Restated |
| | Update Type/Date | |
| | 05-avr.-2006 | 05-avr.-2006 |
| Annual Income Statement: (EUR, in millions) | | |
| Net Sales | 7,562.00 | 7,013.00 |
| Other Revenue | 60.00 | 51.00 |
| Total Revenue | 7,622.00 | 7,064.00 |
| Cost of Revenue | 5,636.00 | 5,239.00 |
| Gross Profit | 1,926.00 | 1,774.00 |
| Depreciation | 432.00 | 423.00 |
| Amortization of Acquisition Costs | -- | -- |
| Restructuring Charge | 43.00 | 22.00 |
| Other Unusual Expense | -- | -- |
| Loss/Gain on Sale of Assets | (35.00) | 31.00 |
| Other Operating Expense | 837.00 | 790.00 |
| Other Operating Expense, Net | 107.00 | 52.00 |
| Total Operating Expense | 7,020.00 | 6,557.00 |
| Operating Income | 602.00 | 507.00 |
| Non Operating Interest Expense | (135.00) | (123.00) |
| Non-Operating Interest Expense, Net | (135.00) | (123.00) |
| Non-Operating Interest Income (Expense), Net | (135.00) | (123.00) |
| Other Non-Operating Income | 13.00 | 22.00 |
| Other Non-Operating Income, Net | 13.00 | 22.00 |
| Income Before Tax | 480.00 | 406.00 |
| Total Income Tax | 124.00 | 152.00 |
| Income After Tax | 356.00 | 254.00 |

- To try to avoid that: False information, mistakes, re-keying, proprietary IT format to convert, ...
- To decrease « overcosts » all along the supply chain of Financial information
- While all information exist in accountancy software

WHAT IS XBRL?

XBRL is kind of BAR-code for data



WHAT IS XBRL?

XBRL stands for eXtensible Business Reporting Language

XBRL is technology and an 'Open Standard' for the electronic exchange of information (reports / data)

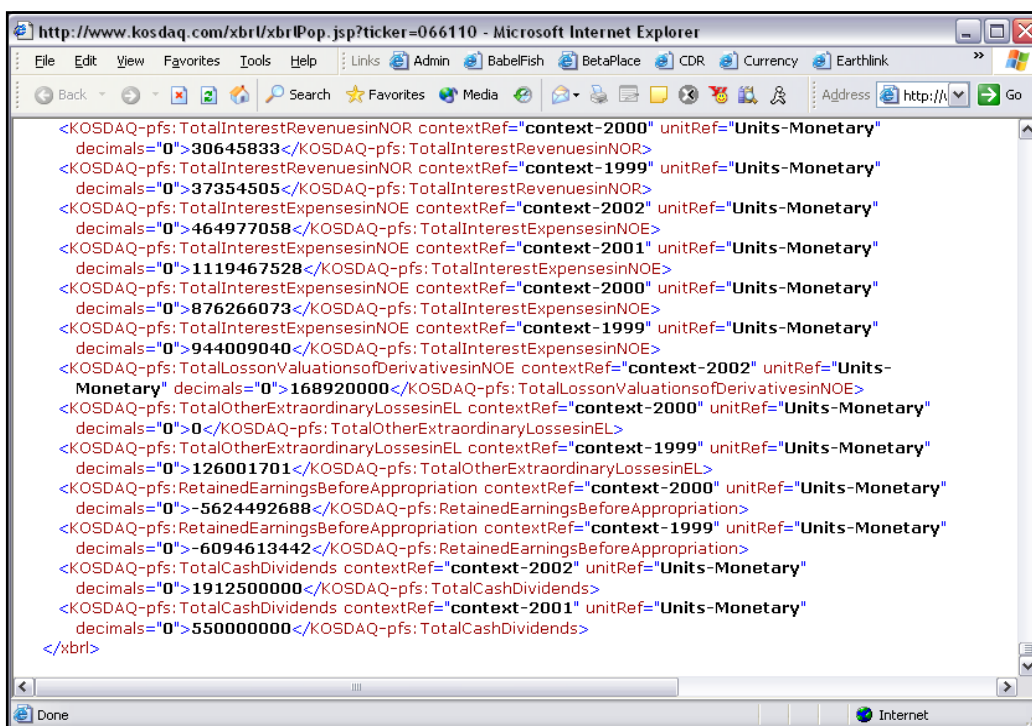
The data-elements are defined in a 'Taxonomy', a dictionary-like classifications in XBRL for describing the context of data in financial statements and business documents.

An 'Instance document' contains' the data elements in XBRL format to be exchanged electronically.

A 'Style sheet' is a kind of template to present or publish data in XBRL format

The XBRL standard is being developed and maintained XBRL International Inc.





USE OF XBRL TECHNOLOGY IN EUROPE

- (1) EC/EU support for XBRL in achievement of 2012 burden reduction targets. (2) transparency directive (3) CESR strategy. (Directive EC/2007/12/235)
- And with the support of EU authorities (European Commission, European Parliament, CEBS, CESR, Eurostat, etc) –
 - Unify scattered mandatory reporting and reporting technology systems in Europe in order to reinforce comparisons between the companies
 - Set up European repositories which could harmonise competition within the internal EU market
 - Set up European Repository for listed public companies in order to reinforce European competition vis à vis the US SEC repository which will be set up soon (CESR work and recommendations on XBRL)
 - Work together between EU countries in reducing the costs in many sectors (Statistics, accountancy, banks, etc.)
- A way to alleviate costs on companies and all along the supply chain in all the EU countries and a way to alleviate IT costs where exchange formats are always proprietary
- A way to provide new added value services to companies if XBRL is used broadly (easy benchmarks, easy analysis of figures, others)



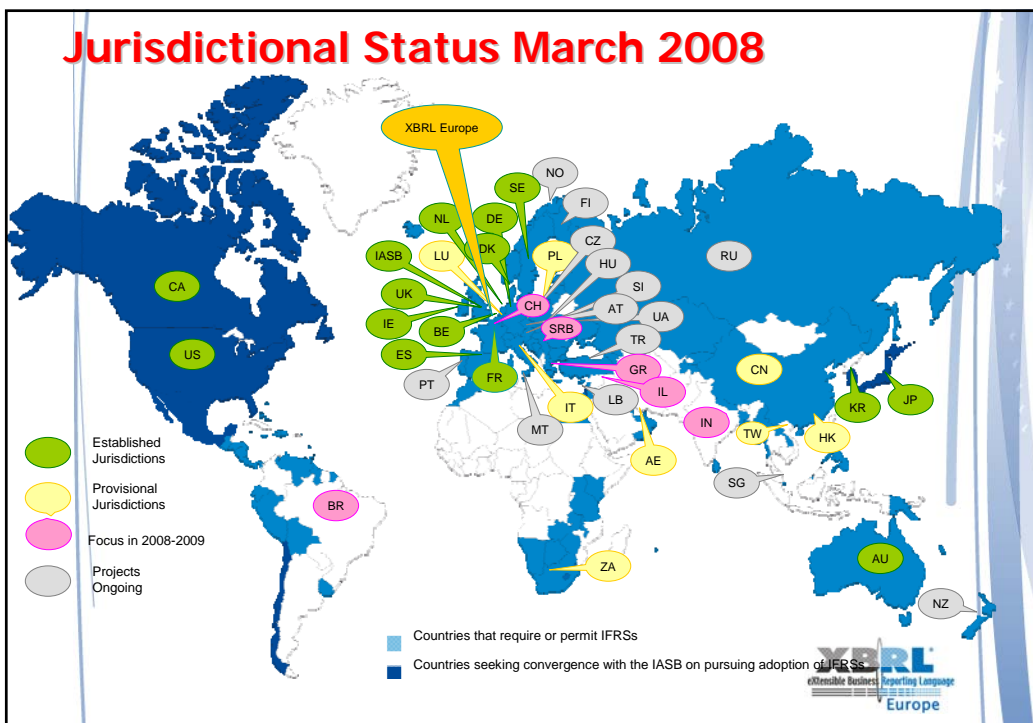
XBRL : A WORLDWIDE PROJECT

- XBRL, a worldwide and not for profit project:
 - Institutional support
 - governmental bodies (EU bodies, Ministries, regulators, etc.)
 - Professional federations (Institutes of chartered Accountants, Banking federations, etc)
 - Private support
 - Audit participation
 - IT support
 - Universities

- XBRL is managed by an international Non profit organisation: XBRL International with jurisdictions and a regional organisation, XBRL Europe



Jurisdictional Status March 2008

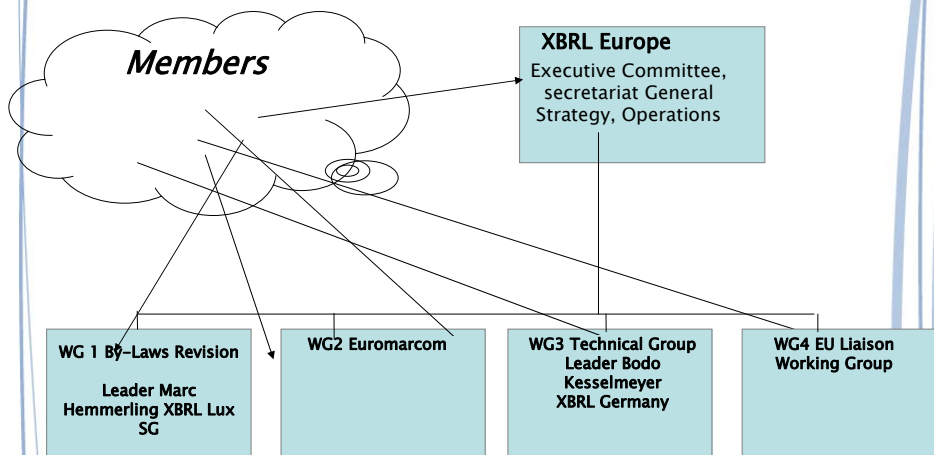


XBRL EUROPE

- A not for profit association under Belgium Law
 - Composed of XII, XBRL Belgium, XBRL Ireland, XBRL France, XBRL Spain, XBRL NL, XBRL Germany, XBRL Denmark. XBRL Luxembourg, Poland and Italy on the verge to apply
 - with a Secretary General Gilles Maguet
- Located in FEE premises (Fédération des Experts Comptables Européens) at Avenue d'Auderghem, 22 – 28, B – 1040 Brussels
- and dedicated to
 - Support coordination actions between members through common projects (IFRS Taxonomy extensions development, Corep/Finrep simplification, European Business Registry) and communication/events
 - Liaise with European Union Authorities (EC, CESR, CEBS, EP, etc) and with European level organisations (FEE, etc)
 - Increase the number of EU jurisdictions through assistance to new countries.



XBRL EUROPE ORGANISATION



OVERVIEW OF XBRL ADOPTION IN EUROPE

| Country | XBRL Jurisdiction | Banking Regulator | Balance Sheet Filing | Revenue&Tax Filing | National Statistics | Market Regulator |
|------------|--------------------|-------------------|----------------------|--------------------|---------------------|------------------|
| Belgium | Established | ✓ | ✓ | | ✓ | |
| Denmark | Established | | ✓ | ✓ | ✓ | |
| France | Established | ✓ | ✓ | | | |
| Germany | Established | ✓ | ✓ | | | |
| Greece | In progress | ✓ | | | | |
| Ireland | Established | ✓ | | | ✓ | |
| Italy | Provisional | ✓ | ✓ | | | |
| Luxembourg | Provisional | ✓ | | | | |
| Netherland | Established | ✓ | ✓ | ✓ | ✓ | |
| Poland | Provisional | ✓ | | | | |
| Spain | Established | ✓ | ✓ | | | ✓ |
| Sweden | Established | | ✓ | | | |
| UK | Established | | ✓ | ✓ | | |
| CEBS | | ✓ | | | | |
| CESR | | | | | | ✓ |
| EUROSTAT | | | | | ✓ | |
| USA | <i>Established</i> | ✓ | | | | ✓ |



SOME XBRL PROJECTS IN EUROPE

| | | |
|--------------------------------------|--|------------------|
| Belgian Central Bank | Belgian non-financial companies use XBRL for the drawing up of their statutory annual accounts to be filed with the National Bank (Central Balance Sheet Office - CBSO) in the form of XBRL-instance documents. | Mandatory Filing |
| CEBS | COREPFINREP- Common solvency ratio REPorting framework, for credit institutions and investment firms under the future European Union capital requirements regime. | Mandatory Filing |
| Banking Commission France | Commission Bancaire has started receiving COREP and FINREP reportings in XBRL | Mandatory Filing |
| Government of Netherlands NTP | The eGovernment program is scheduled to reduce compliance costs by €350 million per annum. The program is focussed on financial, tax and statistical reporting as well as financial services industry for credit risk filings (based on Basel II). | Voluntary Filing |
| UK Companies House | Business register based on UK GAAP Taxonomy | Mandatory Filing |
| UK Inland Revenue | Tax return mandatory in 20011 based on UK GAAP Taxonomy | Mandatory Filing |
| Danish Commerce and Companies Agency | A full scale project that enable all Danish companies to file XBRL instance documents with the DCCA as well as with Statistics Denmark. The instance documents will contain the complete annual filings including notes | Voluntary Filing |
| Bundesanzeiger Germany | Public Register for company information based on German GAAP and IFRS taxonomies | Mandatory Filing |
| Infogreffe France | Business register based on French GAAP | Voluntary Filing |
| Infocamere Italy | Business Register based on Italian GAAP | Voluntary filing |
| Etc. | | |



XBRL DOCUMENTS DEMAND

- A new type of demand to companies/accountants
 - From governmental bodies/regulators (Filing of annual accounts, Tax returns, statistics, etc)
 - From auditors
 - From accountants
 - From analysts
 - From Banks
 - From internally in companies (headquarters to subsidiaries)
- In replacement of other/exotic support (Paper, PDF, proprietary formats from various Accountancy Software)
- With productivity earnings along the supply chain



XBRL: IMPLICATIONS IN PARTICULAR FOR SMEs

- To understand and cope with these new demands of E-filing
- To transform their accountancy and financial process
- To understand that XBRL if broadly spread is also an opportunity for SMEs with the assistance of their accountants
- To request XBRL competencies from their accountants for remittance services and other added value services



XBRL: OPPORTUNITIES FOR ACCOUNTANTS AND SMALL PRACTITIONERS

- A new type of competencies required
 - Use of XBRL supported software to edit/download/upload XBRL Instance documents
 - Check competencies on XBRL instance documents with softwares
 - Transmission of XBRL documents in full Security
- New or Adapted XBRL softwares
 - "Normal" adapted accountancy softwares (Sopra, Sage, Cegid, and others...) when adaptations do exist
 - Dedicated XBRL Solutions (UB Matrix, Semansys, Fujitsu, DragonTag, Invoke, etc.)
- A new type of added value services to be offered
 - Proficiency in setting up XBRL instance documents
 - Proficiency in transmitting XBRL Instance documents to the various demanders
 - Capacity to extract and benchmark figures of competitors for a company at a lower cost
 - others




Thank You

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