

**Data Quality Committee**  
**Conference call**  
**July 15, 2020**  
**Meeting Notes**

**Attendees**

Committee Members

Campbell Pryde, Joan Berg, Mohini Singh, Heather Krupa, Glad Sully, Sophia Sharp, Amit Varshney,

Absent

Pranav Ghai, Adrian Cloutier, Charles Kessler

Staff

Ami Beers, David Tauriello

Observers

Louis Matherne, Iza Ruta

**Welcome**

- Chair welcomed Committee and introduced attendees. Joan introduced Glad Sully from idaciti as a new member replacing Emily Huang.

**Minutes Approval**

- Motion to approve minutes from April 1, 2020 DQC meeting, by Heather Krupa, seconded by Joan Berg
- Vote (For 6, 0 Against)
- Motion passed. April 1, 2020 DQC meeting minutes approved.

**Review and Approval of Version 12 DQC Rules**

- Joan explained that 6 rules were exposed for public review May 15 – July 1, 2020. Minor comments were received from committee members which were incorporated into the rules. No public comments were received. The rules included:
  - DQC\_0015 includes updates for elements in the 2020 US GAAP Taxonomy that should not be input as negative.
  - DQC\_0091 Invalid Scale for Percentages – The intent of the rule is to identify those percentage items that have a scaling issue associated with them.

- DQC\_0092 Non Positive Amounts – This is for IFRS filings. The intent of the rule is to identify those facts that have been entered with a positive value when the value should have been a negative amount. There is a similar rule in the XBRL Formula Linkbase
- DQC\_0093 Durational Aggregation – This rule is for IFRS filings. The rule identifies where the values of a durational element for a series of periods of time do not aggregate to the value representing the aggregated period in the instance. This rule has a tolerance factor for rounding. This rule is similar to and already exists for US GAAP (DQC\_0084).
- DQC\_0094 Fiscal Maturities – This rule is intended to check that the changes in the 2020 taxonomy (the definition of the maturity schedule elements has been clarified) are applied to the instance documents using the 2020 (and subsequent) taxonomy.
- DQC\_0095 Scale Common Stock Outstanding - The intent of the rule is to identify where filers have used an incorrect scale when reporting Common Stock Shares Outstanding.
  - Proposed effective date for these rules is September 1, 2020
- Motion to approve rules DQC\_0091, DQC\_0092, DQC\_0093, DQC\_0094, DQC\_0095 and updates to DQC\_0015 effective September 1, 2020, by Campbell Pryde, seconded by Heather Krupa
- Vote (For 6, 0 Against)
- Motion passed. Rules DQC\_0091, DQC\_0092, DQC\_0093, DQC\_0094, DQC\_0095 and updates to DQC\_0015 approved effective September 1, 2020.

### **Review and Approval of Version 13 DQC Rules for Public Review**

- Campbell explained the rules proposed for version 13.
  - DQC\_0098 - Liability Revenue Recognized – This rule will apply only to US GAAP filings. The rule identifies where the Contract with Customer, Liability, Revenue Recognized is greater than the value of Contract With Customer Liability reported. The rule compares the value of the opening balance of the liability to ensure that it is greater than or equal to the value recognized as revenue during the period. There were 172 errors for 2020 to date for this rule. There are 2 components to the rule
  - “Contract with Customer, Liability, Revenue Recognized” > “Contract with Customer, Liability”

- “Contract with Customer, Liability, Revenue Recognized” > “Contract with Customer, Liability, Current” + “Contract with Customer, Liability, Noncurrent.”
- DQC\_0099 - FS with No Associated Calculation – An SEC rule requires that if there is a calculation it must be included within the filing, but can be anywhere in the filing. This rule looks at all monetary items in the presentation linkbase in face financial statements and checks that they participate in a calculation. The rule identifies where a monetary element is defined in the presentation linkbase of the filing for the Income Statement, the Balance Sheet, the Statement of Cash Flows and the Statement of Comprehensive Income and checks if a calculation is defined in any role of the company extension. This rule is limited to US GAAP filings.
  - There are a number of valid exceptions for the rule.
    - For Statement of Cash Flow:
      - All supplemental disclosures
      - All instant items
      - Elements for effect of exchange rates
      - All noncash items identified in the US GAAP taxonomy
    - For income statement:
      - Comprehensive Income
      - Allocated Share Based Compensation Expense
      - Net Income Loss Available To Common Stockholders Basic and diluted
    - For Balance Sheet:
      - Commitments and Contingencies
- DQC\_0100 – Invalid Consolidation Axis - This rule identifies where the filer has reported a fact value which uses the axis InvestmentsByConsolidatedAndNonconsolidatedEntitiesAxis. The rule checks for the existence of any facts that have used this axis and reports an error. This axis will be deprecated in 2021 so should not be used in 2020 filings. This rule only exists for the 2020 taxonomy.
- There were 2 other rules that the working group is reviewing. These related to the income statement and balance sheet location axis. There were many errors related to these; however, there is no guidance for filers on how to handle these situations. This will be brought up with FASB representatives. The proposed rules will be held until comprehensive guidance is developed to handle the situations that were found in the impact analysis.

- Public Review period is proposed for August 1 - September 15, 2020.
- Motion to approve rules DQC\_0098, DQC\_0099 and DQC\_0100 for public review August 1 - September 15, 2020, by Heather Krupa, seconded by Glad Sully
- Vote (For 6, 0 Against)
- Motion passed. Rules DQC\_0098, DQC\_0099, DQC\_0100 approved for public review.

### **Anchoring**

- Joan recalled that Louis had presented the concept of anchoring to the DQC during the prior meeting.
- Louis stated that there will be a discussion of anchoring at the next TAG meeting. Louis explained that the SEC announced that anchoring is accepted by EDGAR and therefore would not preclude US GAAP filings from using anchoring in the form of the application of the wider/narrower arc role. US GAAP filers may start to use this; therefore, guidance may be needed in this area.
- Campbell mentioned that there are requirements when using anchors ( for example, matching of period types and item types); we may want to consider these in developing guidance.
- Louis will discuss with SEC staff whether they are considering these requirements.
- ESEF released new guidance which allows for the use of members as a form of anchoring. XII entity specific disclosure task force is exploring this topic.

### **Rule results**

- Campbell presented some of the graphs of errors that are presented on the XBRL US website. Many rules have improved from 2<sup>nd</sup> quarter of prior year.
- Errors for nonnegative have improved for the 2<sup>nd</sup> quarter. This may be because the FASB has included this rule within the taxonomy.

Meeting adjourned 12:45PM.