

**Data Quality Committee**  
**Washington D.C.**  
**October, 2017**  
**Meeting Notes**

**Attendees**

Committee Members

Pranav Ghai, Campbell Pryde, Lou Rohman, Emil Efthimides, Chase Bongirno, Steve Soter, Amit Varshney\*

Absent

Craig Lewis, Emily Huang, Mohini Singh, Charles Kessler

Staff

Ami Beers, David Tauriello, Marc Ward

Observers

Louis Matherne

**Welcome**

- Chair welcomed Committee members.

**Minutes Approval**

- Motion to approve minutes from June 23, 2017 DQC meeting, by Chase Bongirno, seconded by Pranav Ghai.
- Vote (For 7, 0 Against)
- Motion passed. June 23, 2017 DQC meeting minutes approved.

**Guiding Principles**

- Lou Rohman introduced the guiding principles. The goal is to approve the principles and have them published on the XBRL US website.
- Campbell Pryde mentioned that reference to US GAAP was removed to consider broader principles beyond US GAAP.
- The document references the work of the XII Entity Specific Disclosure Task Force and states that the DQC will leverage their recommendations on handling extensions.
- One of DQC members questioned how the guiding principles will control how filers will tag disclosures. These principles will be used as a foundation for the DQC to develop topical guidance.
- The Guiding Principles include:

- The primary consideration for element selection must be based on the reporting requirements prescribed by the SEC for public companies and, where applicable, widely-recognized common disclosures.
  - The data modeling for reporting requirements must be standardized with a bias for enhancing utility.
  - Extensions, when allowed, must be linked to an element in an SEC approved taxonomy.
  - Element selection must be based on the same materiality judgments as was used when preparing the financial statement disclosure.
- Motion to approve Guiding Principles for publication on the XBRL US website, by Campbell Pryde, seconded by Steve Soter.
  - Vote (For 7, 0 Against)
  - Motion passed. Guiding Principles for publication on the XBRL US website approved.

#### **Approval of Guidance on Cashflow and Rule Sets #4 and #5**

- Campbell noted that there was a public review conducted for rule sets #4 and #5 and the document for guidance on the cashflows.
- Rule Set #4 included the following rules:
  - DQC\_0008 Reversed Calculation
  - DQC\_0011 Dimensional Relationships
  - DQC\_0015 Negative Values
- Rule Set #5 included the following rules:
  - DQC\_0043 Incorrect Calculation Weights in Operating Cash Flows
  - DQC\_0044 Accrual Items used in Investing/Financing Cash flow Reconciliation
  - DQC\_0045 Movement of Concepts between Calculation Trees
  - DQC\_0046 Inappropriate Calculation Descendent
  - DQC\_0047 Calculation Descendants with No Balance Type
    - A comment was received on this rule recommending excluding extensions with no balance type from the rule. This is valid and rule will be amended.
  - DQC\_0048 Required Calculation Parent Element in the Cash Flow Statement
  - DQC\_0049 Single Calculation Tree for Change in Cash Flows
  - DQC\_0051 Before Tax Items
    - Comment received that there was a typo in the documentation. Rule has been corrected.
  - DQC\_0052 Member Values
  - DQC\_0053 Excluded Members from an Axis
  - DQC\_0054 Excluded Dimensions from a Table
  - DQC\_0055 Required Member on An Axis

- DQC\_0057 Cash Flow Opening and Closing Balances
- DQC\_0060 Element Dependence for Specific Elements
  - Comment received that XBRL US Best Practice guidance contradicts new Cashflow Guidance on this topic. This is a change and will need to be communicated and previous Best Practice should be removed from website.
- DQC\_0061 Cash Flow Continuing Operations Elements not Used
- DQC\_0062 No Fact Value for Change in Cash
- DQC\_0065 Interest Paid Net (Operating) Not on Cash Flow
  - Comment received that some filers disclose the gross interest paid and capitalized interest separately. Commenter recommended adjusting rule to allow InterestPaid when InterestPaidCapitalized is also disclosed. Rule will be adjusted for this change.
- Working Group recommended an effective date for filings with balance sheet end date after January 1, 2018 due to the effective date of the new ASU which will impact fiscal periods ending after January 1, 2018. There may be concern with vendors and filers having sufficient time to implement and comply with the rules.
- Reference code will be available on XBRL US website within the next few weeks.
- DQC members noted that the prior rules have been implemented based on filings submitted rather than balance sheet date.
- DQC members recommended effective date of January 1, 2018 for all filings submitted after that date.
- Motion to approve Rule Set #4, #5 and Cashflow Guidance effective for filing dates on or after January 1, 2018, by Campbell Pryde, seconded by Chase Bongirno.
- Vote (For 7, 0 Against)
- Motion passed. Rule Set #4, #5 and Cashflow Guidance effective for filing dates on or after January 1, 2018 approved.

### **Historical Error Results**

- Campbell Pryde presented results of running published rule sets 1, 2, and 3 over the past 4 quarters.
- Members of the DQC commented that smaller companies have had higher error rates. Support is needed from SEC to enforce the rules and to gain attention of small filers.
- Errors for the Negative Value rule have decreased over time. However, new elements were added in November 2016, so results show an increase in errors for the first quarter of 2017. However, there have been significant reduction in errors for this rule over time. There was a very large improvement in the 10k filing periods as compared to the prior years.

## **Guidance on Stock-Based Compensation**

- Pranav Ghai provided a presentation on the impact of the new ASU for stock based compensation.
- Working group is in the process of discussing new guidance. There are current errors in the XBRL filings that will be addressed in new guidance and rules.
- Draft will be released to the DQC.
- The DQC has not yet discussed which topic will be covered next. DQC will need to consider what other topics should be addressed.

## **XII Entity Specific Disclosure Task Force**

- Louis Matherne reported that the Task Force is close to finalizing a working document.
- Document will be sent to XII Best practice committee for approval then out for exposure.
- Recommendations will be global for all jurisdictions and high level. Regulators will need to develop specific guidance for each jurisdiction.
- Recommendations will include:
  - Recommend use of the calculation relationship to link extension elements to the base taxonomy. There will be specific recommendations for improvements to calculation linkbase.
  - Use of inline XBRL provides mechanism to capture information that is not easy to anchor.
  - Element extensions will need to be anchored to base taxonomy elements.
- DQC will review the recommendations; however, more specific recommendations will be needed for filers submitting to SEC.
- DQC will discuss with SEC Staff whether it should develop recommendations for anchoring extensions.

## **Format of Rules**

- Rules have been written in Python by Workiva developers. Each rule was a separate plug in to Arelle with separate data files.
- As rules were written, code needed to be recreated and resulted in high maintenance of rules.
- XBRL US has changed the process. Rules will be maintained in Arelle. Rules will be written in human readable syntax. Reference code will be available in github.
- XBRL Formula was assessed; however, it would not be able to handle DQC rules.
- Document that defines syntax for writing rules will be released by XBRL US.
- Campbell will provide a demonstration at the next meeting.

## **FASB Update**

- Louis explained that the FASB has been working on a response to the SEC's request for the Efficiency and Effectiveness study. Recommendations for SEC have been drafted and will be submitted with 2018 budget. The following topics will be covered:

- Increase usability of data
  - Recommend anchoring extensions.
  - Dimensions to be used on face financial statements in constrained manner (e.g., revenue).
  - Constrain dimensions to disaggregations.
- Consistency of tagging for preparers
  - Prioritize project to improve references to provide clear association between taxonomy and codification.
  - Recommend aligning the taxonomy development process with standards development process. This would include replacing the 60 day comment period with exposure of proposed changes throughout the year that will coincide with proposed ASU exposures.
- Guidance
  - Expand implementation guides.
  - Provide more education for filers (e.g., webcasts, etc.)
- Other observations
  - Provide feedback received from stakeholders during July roundtable discussion (e.g., earnings release, audit of XBRL filings).
- Louis provide an update on the FASB's project to update the references in the taxonomy
  - Reference project will need to be a topical focus.
  - Ensure all disclosure requirements needed are covered in the taxonomy.
  - Focus on statements which is an S-X requirement.
  - Project will take a few years to fully complete. All reviewed references will be given new roles. Legacy reference roles will indicate that references have not yet been reviewed (2018 taxonomy will include this).
- Louis provided an update on the 2018 Taxonomy
  - Revenue has been updated for dimensions
  - Extensible lists have been used. Move dimensions from hypercubes to line times.

Meeting adjourned 12:30PM.