Data Quality Committee
Webcall
December 18, 2017
Meeting Notes

Attendees

Committee Members

Pranav Ghai, Campbell Pryde, Lou Rohman, Emil Efthimides, Chase Bongirno, Mohini Singh, Steve Soter, Amit Varshney

Absent

Emily Huang, Craig Lewis, Charles Kessler

Staff

Ami Beers, David Tauriello,

Observers

Louis Matherne, Izabela Ruta

Welcome

- Chair welcomed Committee members.

Minutes Approval

- Motion to approve minutes from October 4, 2017 DQC meeting, by Chase Bongirno, seconded by Emil Efthimides.
- Vote (For 8, 0 Against)
- Motion passed. October 4, 2017 DQC meeting minutes approved.

Approval of DQC Rules for IFRS Filings

- Lou Rohman explained that currently the DQC rules engine applies only to US GAAP taxonomy filings. However, certain existing DQC rules could be applied to the IFRS taxonomy filings and testing would not be necessary. The rules already are approved and do not need a public review conducted.
- Campbell Pryde explained the rules that are recommended to be applied to the IFRS taxonomy filings effective January, 31, 2018.
    - o DQC_0006 – DEI and Block Tag Date Contexts
    - o DQC_0008 – Reversed Calculations
    - o DQC_0018 – Deprecated Elements Used in Filing
    - o DQC_0033 – Document Period End Date Context

- o DQC_0036 – Document Period End Date Context/Fact Value Check
  - o DQC_0041 – Axis with a Default Member that Differs from the Taxonomy
- Campbell Pryde explained that some changes are required:
  - o Define an IFRS entry point, as the IFRS taxonomy does not reference the DEI taxonomy
  - o Update existing rules to handle IFRS
  - o Run separately from US GAAP Rules but run using the same plugin code
  - o Update for FASB SEC Reporting Taxonomy (SRT)
- Iza Ruta mentioned that there was a change to the axis for Continuing Operations and Discontinued Operations. The default member was changed from the total of continuing and discontinued operations member to continuing operations member in the 2018 taxonomy. Iza requested that an exception be added to DQC_0041 so that either default member can be used for filings using the 2017 IFRS taxonomy. Rule will be adjusted to make an exception.
- Iza also noted that for those filers that have not yet adopted new standards, filers will be allowed to use deprecated elements in their filings. Iza questioned whether the SEC published the schema for deprecated elements on its website. This rule may not be applicable for IFRS taxonomy filings. DQC members agreed that DQC_0018 should not be applied to the IFRS taxonomy filings.

- Motion to apply rules DQC_0006, DQC_0008, DQC_0033, DQC_0036 to the IFRS taxonomy filings effective January 31, 2018, and add a change to rule DQC_0041 to exclude the continuing and discontinued operations axis from the rule for filings using the 2017 IFRS taxonomy and apply the updated rule DQC_0041 to the IFRS taxonomy filings by Campbell Pryde, seconded by Chase Bongirno.
- Vote (For 8, 0 Against)
- Motion passed. Rules DQC_0006, DQC_0008, DQC_0033, DQC_0036 to be applied to IFRS taxonomy filings effective January 31, 2018, and add a change to rule DQC_0041 to exclude the continuing and discontinued operations axis from the rule for filings using the 2017 IFRS taxonomy and apply the updated rule DQC_0041 to the IFRS taxonomy filings effective January 31, 2018.

Guidance for Stock Based Compensation
- Campbell Pryde presented some of the issues that the guidance will address:
  - o Different elements for stock based compensation are used on the different statements (i.e, income statement, cash flow and changes in shareholder equity). Guidance and rules will make sure that the correct element is used.
  - o Vesting periods are represented inconsistently across filings.
  - o Equity compensation is inconsistent when broken down by stock unit, option, restricted stock. Dimension and line items represent the same concept, wrong dimensions are used.
  - o Separation of individual plan from group plans, specifically identification of SERPS causes inconsistencies.
  - o Inconsistent use of Award type axis, specifically performance based shares.

- o Dimension and line item inconsistencies in taxonomy. Will need discussion with FASB. (e.g., plan types are represented as both line items and dimensions)
- o Statement of shareholder equity in taxonomy include line items that should not be there.

Changes to Reference Implementation of DQC Rules
- Campbell Pryde explained that there a few changes to the version 5 rules based on discussion of Working Group. Reference implementation has been updated in github for these changes.
    - o Removed MembersEquityAttributableToNoncontrollingInterest from DQC_0015
    - o Update to DQC_0047 to allow no balance type extension
    - o Removed InvestmentsNetAssetValueMember as a valid extension. Should use FairValueMeasuredAtNetAssetValuePerShareMember instead, as this was defined by the FASB.
- Reference Implementation is being updated in github
    - o Historical rules updated so all run in Arelle with 1 plugin.
    - o Rules written in human readable form.
    - o Implementation can run IFRS taxonomy.
    - o Rules do not require multiple JSON files for each release of the taxonomy.
    - o Benefits of new implementation include faster development time, testcases are the same and processing speeds stay constant as rules increase.
- Running the Rules
    - o Rules can be run from command link of Arelle and can also run as a server version on Arelle so static files are cached.
    - o Different rule sets for each taxonomy due to changes in taxonomy.
    - o Rules use taxonomy packages so that rule can be run without connecting to the internet.
- Benefits of new implementation
    - o Navigation of the company extension.
    - o Navigation of any base taxonomy.
    - o Allows ability to access all aspects of instance document for analysis.
    - o Supports statistical functions and set manipulation and ability to import mathematical libraries.
    - o Allows the ability to quickly define more complicated rules without engaging a programing resource.

Future Topical Areas for DQC to Address
- Lou Rohman explained that the DQC's agreed upon approach is to address topical areas. Cashflow and stock based compensation are being addressed by DQC. Lou opened up a discussion on what the DQC should address going forward.

- There was a question as to whether there has been improvement as a result of the rules. The DQC had presented results of running rules to the SEC at the last meeting and there had been improvement and a reduction in errors for all rules.
- It was noted that the process is slow for rules to be implemented by filers. DQC will need to expedite rule development process.
- There was a question as to whether the DQC should address income statement or balance sheet rather than notes. The FASB is working on revenues, so DQC is holding off on this topic.
- It was mentioned that extensions on the balance sheet has been discussed and could be a topic to address.
- The XII Entity Specific Disclosure Task Force (XII ESDTF) will release general guidance for extensions; however, regulators will need to provide more specific guidance. The DQC may be in a good position to articulate methods for the recommendations of the XII ESDTF because there will be a need for specificity. This could address some of the extensions on the balance sheet. Guidance within each of the topical areas will address specific recommendations for handling extensions in each area.
- Criteria for which topic areas to address should be topics that are problematic for consumption.
- Fair Value impacts all financial firms in the US; however, this is a complex area.
- Long term Debt includes many overlapping categories of members and line items. There may be a lot of changes in this area over the coming year.
- Investments will have a lot of changes. Companies are holding a lot in investments and FASB reporting is lacking.
- Income Taxes disclosures are challenging for companies and there will be many changes due to the new tax law.
- Acquisitions may be important because of changes in tax bill. Acquisition notes and stock buy back programs may have a lot of activity. This may be able to be addressed quickly.
- DQC agreed that Long Term Debt, Investments and Income Taxes would be important and should be somewhat easy to address with guidance. Fair Value is a complex area so should be later.
- Lou Rohman explained that there was a request that the DQC received from Charlie Hoffman to incorporate rules that he has developed related to relationships on the face financial statements. Charlie has directly emailed companies that have violated these rules. Lou posed a question to the group as to what the DQC should do with this request?
  - Need to understand the impact of the rules (how many errors or false positives).
  - Need to determine the effort and benefit of working on this. Rules need to improve utility of XBRL in order to implement.
  - DQC agreed to have the Working Group begin to review the rules.

Other Business
- Future meetings
  - Webcall March 7, 2018 3-5pm ET
  - In person meetings for 2018 in Washington D.C. with SEC staff
    - April 25, 2018 and October 10, 2018.

Meeting adjourned 5:00PM.