

Data Quality Committee
Webcall
June 27, 2018
Meeting Notes

Attendees

Committee Members

Campbell Pryde, Lou Rohman, Charles Kessler, Chase Bongirno, Mohini Singh, Amit Varshney, Andreas Krohn

Absent

Pranav Ghai, Emily Huang, Craig Lewis,

Staff

Ami Beers, David Tauriello,

Observers

Louis Matherne, Izabela Ruta,

Welcome

- Chair welcomed Committee members.
- Lou stated that Steve Soter stepped down from DQC due to leaving his organization.
- Lou introduced new member Andreas Krohn from Bloomberg, as a new member. Andreas is replacing Emil Efthimedes.

Minutes Approval

- Motion to approve minutes from April 25, 2018 DQC meeting, by Chase Bongirno, seconded by Mohini Singh.
- Vote (For 7, 0 Against)
- Motion passed. April 25, 2018 DQC meeting minutes approved.

Review and Approval of Release of DQC Rules and Guidance Version 7 for Public Review

- Campbell provided an overview of the Version 7 rules proposed rules and guidance to be released for public review.
- DQC_0067- Mutually Exclusive Elements - This rule identifies if elements associated with the new revenue recognition standards are used in conjunction with elements from the previous revenue recognition standard. Error message will provide both new and previous elements used. As filers move to 2018 US GAAP taxonomy, errors will

diminish because previous elements were deprecated. It was noted that a new ASU for leases will be released and may cause FASB to rethink how to tag prior revenue, this may need to be revisited in the future.

- DQC_0068 - Geographical Axis Used with Pension Line Items – Rule supports FASB Pension implementation guide. This rule identifies those cases where the filer has reported the StatementGeographicalAxis in conjunction with a line item in the Compensation Related Costs and Retirement Benefits section of the taxonomy. Impact analysis shows approximately 4,500 facts that have this axis (about 100 companies).
- DQC_0069 - Plan Asset Categories Component Members- This rule identifies those cases where the following elements have not been tagged with appropriate members and values and checks that they are tagged appropriately based on FASB guidance. These two elements must be used in conjunction with the axis DefinedBenefitPlanByPlanAssetCategoriesAxis.
 - DefinedBenefitPlanPlanAssetsInvestmentWithinPlanAssetCategoryAmount (new element)
 - DefinedBenefitPlanAmountOfEmployerAndRelatedPartySecuritiesIncludedInPlanAssets

This will allow for a cleaner and easier process to access pension plan assets data. Impact analysis shows approximately 438 errors due to related party securities. Rule checks that if elements are used, they are used appropriately.

- DQC_0070 - Plan Asset Dimensional Aggregation - This rule aggregates the values of the Plan Asset categories on the DefinedBenefitPlanByPlanAssetCategoriesAxis. The rule aggregates the values of the members and compares the total to the reported total for the default value of the axis. Rule will indicate when amounts do not aggregate.
- DQC_0071 - Revenue/Cost Single Member - This rule is for revenue recognition. This rule identifies if the revenue/cost elements:
 - RevenueFromContractWithCustomerIncludingAssessedTax,
 - RevenueFromContractWithCustomerExcludingAssessedTax and
 - CostOfGoodsAndServicesSold

have been used with the ProductOrServiceAxis for only one product or service represented by a single member on the product or service axis. If there is more than one member, rule will not flag error. Rule conforms with FASB implementation guide.

- DQC_0072 - Plan Asset Categories Percentage - This rule identifies those cases where the element:
 - DefinedBenefitPlanPlanAssetsInvestmentWithinPlanAssetCategoryPercentage

has not been tagged with appropriate members based on FASB guidance. This element must be used in conjunction with the axis DefinedBenefitPlanByPlanAssetCategoriesAxis.

- DQC_0073 - Plan Asset Categories Permissible Line Items - This rule identifies when inappropriate line items are used with the Plan Asset Categories Axis. FASB provided a list of elements that should be used with this axis. Rule will flag those line items that are used with this axis that are not on the list.
 - There was a question about how the rule would handle voluntarily reported items (not required) about plan assets. If it is not expected to be reported, the rule will flag an error.

Action item – review list of elements from impact analysis prior to releasing rule.

- DQC_0074 - Nil Values on Typed Axis - This rule identifies when a nil value has been used inappropriately on the following typed axis. RevenueRemainingPerformanceObligationExpectedTimingOfSatisfactionStartDateAxis. FASB guidance explicitly states that nil value should not be used. Impact analysis shows 361 cases where this has occurred.
- DQC_0075 - Revenue Tax Policy - This rule identifies those cases where the inappropriate revenue element is used in conjunction with the tax exclusion policy text block. This is for new revenue recognition standard, no errors reported for this rule yet.

Action item – update rule form to include excise tax and other taxes.

- DQC_0076 - Performance Obligations With No Durations - This rule is intended to ensure that filers follow the guidance defined in the Revenue recognition implementation guide published by the FASB. The rule identifies those cases where the duration over which the performance obligation will be captured is not reported. If either of the following two elements are reported with a value:
 - RevenueRemainingPerformanceObligationPercentage or
 - RevenueRemainingPerformanceObligation
 with RevenueRemainingPerformanceObligationExpectedTimingOfSatisfactionStartDateAxis then the satisfaction period elements must have associated duration values. No impact analysis on this rule yet.
- DQC_077 - Satisfaction Period With No Satisfaction Start Date Axis - This rule checks if the satisfaction period elements have been used with RevenueRemainingPerformanceObligationExpectedTimingOfSatisfactionStartDateAxis. Impact analysis shows 678 errors for this rule.
- DQC_0078 - Ownership Interest With No Ownership Axis - This rule identifies those cases where the ownership interest elements are not used with the ownership axis. This rule is intended to ensure that filers follow the implementation guidance defined in the Dimensional Modeling for Disclosures of Consolidated and Nonconsolidated Entities guide published by the FASB. Impact analysis show 12,000 errors.
- Update to Existing DQC Rules

- DQC_0014 - Negative Values With No Dimensions - Added the following elements to the rule
 - FairValueMeasurementWithUnobservableInputsReconciliationLiabilityTransfersOutOfLevel3
 - RevenueFromContractWithCustomerIncludingAssessedTax
 - RevenueFromContractWithCustomerExcludingAssessedTax
- DQC_0011 - Dimensional Equivalents - Change weight of the following element to from 1 to -1:
 - AccumulatedOtherComprehensiveIncomeLossDefinedBenefitPensionAndOtherPostretirementPlansNetOfTax
- The rules are being proposed for a public review starting July 1, 2018 for 60 day period.
- Motion to approve rules DQC_0067 – DQC_0078 and updates to DQC_0014 and DQC_011 to be released for public review July 1, 2018, by Chase Bongirno, seconded by Andreas Krohn.
- Vote (For 7, 0 Against)
- Motion passed. Rules DQC_0067 – DQC_0078 and updates to DQC_0014 and DQC_011 to be released for public review July 1, 2018 approved.
- Guidance
 - Dimensional Modeling Guidance – Legal Entities and Consolidations – Clarifies FASB implementation guide and explains when to use the legal entity axis, consolidations axis and ownership axis. Guidance provides examples when to use each.
 - Revenue Recognition Guidance – Provides additional information that FASB implementation guide does not cover. Provides examples for banks. Clarifies revenue for remaining performance obligations.
- Motion to approve Dimensional Modeling Guidance – Legal Entities and Consolidations and Revenue Recognition Guidance to be released for public review July 1, 2018, by Chase Bongirno, seconded by Mohini Singh.
- Vote (For 7, 0 Against)
- Motion passed. Dimensional Modeling Guidance – Legal Entities and Consolidations and Revenue Recognition Guidance to be released for public review July 1, 2018 approved.

DQC IFRS Rules

- Lou stated that the DQC will develop rules for IFRS filings. We will focus first on negative value and invalid axis/member combinations. For negative values, we will start with IFRS formula linkbase. The timing is anticipated prior to the year end 12/31/18 filings so that filers can run rules for these filings. It is important to work with Iza and members of the IFRS Foundation.
- Tuesday working group will start to look at list of elements. The IFRS formula linkbase available on IFRS website will be used as a starting point for the group to address.

- IFRS is working on implementation notes for filers. So DQC should coordinate with IFRS Consultation Group.

SEC Comment Letter

- During the April 2018 DQC meeting with SEC staff, the SEC staff recommended that the DQC submit a letter to Commissioners on observations of the XBRL filings. Two recommendations are included:
 - SEC should communicate support for DQC rules and could add the DQC rules to the SEC filing engine.
 - SEC should strengthen its monitoring of XBRL filings to increase registrants' compliance with SEC rules. This would include issuing direct communications to filers identifying and explaining severity of rules. We recommend prompt action be taken so that XBRL errors in the initial IFRS filings are not repeated.
- We have no indications about what response we will receive from SEC staff from submitting the letter.

Other Business

- There is an open SEC meeting on June 28, 2018 to review inline XBRL rule.
- Future DQC meetings
 - Next phone meeting September 12, 2018
 - In person meeting in Washington D.C. with SEC staff October 10, 2018.

Meeting adjourned 2:30PM.