



Tangible benefits of data standards for business and regulators

Updated July 2025 (original publication July 2023)

By Campbell Pryde, President and CEO, XBRL US, and John Turner, CEO, XBRL International

U.S. regulators tasked with implementing the Financial Data Transparency Act (FDTA) would be well-served to consider how governments in other regions have adopted a standardized data approach to reducing administrative burden and improving efficiencies.

Standard Business Reporting (SBR) is a business-to-regulator reporting program that the Dutch government calls the “*national standard for the digital exchange of business reports*.” SBR programs rely on data standards, including the XBRL (eXtensible Business Reporting Language) standard for financial reporting, for the exchange of information between local regulatory authorities, banks, and businesses. The goal of SBR is to reduce the administrative burden across businesses and government agencies through automation in data processing.

SBR provides a common, standards-based approach for data definition and submission and has created a collaborative ecosystem across the reporting supply chain. Central to the initiative’s success is the collaborative work done to agree and publish common technical definitions (“tags” or “electronic barcodes”) across different agencies that

seek similar information from the same parts of the private and public sectors.

The program began on a voluntary basis in 2004, and worked in a voluntary mode for some time, es-

- SBR provides a range of report re-use and secure routing mechanisms (“file once, report many”) that reduce and enhance quality. These capabilities are most relevant to small and medium-size enterprises (SME) and micro-enterprises.
- The key strength of SBR is the collaboration across agencies that results in simplified and harmonized data definitions that align more closely with the information used by companies in their own operations, performance management and internal compliance functions.
- This collaboration requires input and assistance from across the reporting supply chain, but just as importantly needs ongoing senior sponsorship to ensure that agencies keep their eyes on the prize: lower costs for companies; higher quality data for agencies.

establishing its first regulatory mandate in 2014.

Businesses gain from “whole of government reporting” which gives them a single point of regulatory contact and the ability to submit one report to meet a number of regulatory needs. Regulators gain from machine-readable data that is interoperable, automatable, and consistent with other datasets.

Use of SBR has expanded significantly, with over 54 million XBRL reports submitted through the program in 2023 (up from 44 million in 2020), and 82% market adoption of the reference chart of accounts that was established to support SBR.

Background



The SBR program was initiated because different agencies often collected similar information from the same companies. Given small differences in definitions from one agency to another, companies would be tasked with creating different reports for each agency, with each report requiring independent development, making reporting vastly more complex and expensive than needed. Format requirements across agencies also differed, ranging from submission by fax, spreadsheet or even floppy disk.

Concern over administrative costs in the Netherlands, prompted the Dutch government to look for solutions to reduce administrative burden. Government regulators, the private sector, auditors, and the software community came together to reach an agreement on the best approach. They agreed on one form of data exchange (XBRL) for the various

reports transmitted, unless there was a definitive reason why XBRL was not appropriate for a particular report. Second, they agreed to establish a single interface where data could be submitted, checked, and the valid report could be forwarded to the corresponding agency. This ensured that there was one platform to submit the data and one syntax in which all data would be modeled. This allowed software vendor applications to support their clients in reporting to different government agencies, which lowered the administrative burden because there was less development work needed. A single software application could be used across many reporting entities submitting to multiple agencies.

Volunteer members of the Dutch XBRL community began developing taxonomies (digital dictionaries of terms) to represent regulatory reporting requirements. The work was coordinated by full time staff at Logius, a digital government service of the Netherlands Ministry of the Interior and Kingdom Relations, and by the Ministry of Finance. Senior government leadership was at the helm with a group of private and public sector leaders directing and prioritizing the efforts to harmonize and normalize the data requirements. Organizations involved included accounting firms, software developers, and others with a stake in financial reporting.

Effort was made to standardize and harmonize data elements across agencies, but it was more difficult than originally anticipated. Most agencies had their own way of reporting so the common elements in the taxonomy were very high level such as address and company name. Certain agencies, such as the Institute of Education and the Social Housing Corporation, were, however, able to reuse the annual report elements that were collected by the Business Registrar. This enabled a higher level of harmonization and standardization across those agencies. Banks were involved in SBR early on, but initially they maintained their own platform for submission.

Regulators from the Central Bureau of Statistics, Tax and Customs Administration, the Housing Corporation, and the Business Registrar were observers to the development, but initially were not formally involved, and there was no requirement that businesses report using the data standards.

The taxonomy development work focused on build-

ing modular taxonomies and collaborating with stakeholders such that a single concept could be shared across multiple reports, by multiple reporting entities, to the extent possible. The expectation was that companies that used the taxonomies could map the concepts to their internal systems so that the data could be generated automatically in machine-readable, consistently structured format.

In 2014, the Dutch Tax and Customs Administration announced the first mandate which substantially boosted usage of the taxonomy, paving the way for further savings.

Today

The goals of the Dutch SBR program were very similar to the goals of the FDTA today. While there are obvious differences between the Netherlands regulatory environment, and the scope of the FDTA, certain features of Dutch SBR could be informative to those tasked with implementing the FDTA.

Multiple regulatory agencies required to collaborate.

The SBR program now involves five government regulators: the Tax and Customs Administration, the Business Registrar, the Central Bureau of Statistics, the Housing Corporation, and the Ministry of Education. Four of these agencies have mandated information to be reported in structured (XBRL) format; only the Central Bureau of Statistics opted for voluntary XBRL reporting. Some of the data collected, for example tax reports, is not made publicly available, but other data sets, such as education and Business Registrar information are provided to the public.

Governance of the Dutch SBR is based on three pillars across all agencies: harmonization of data definitions, harmonization of process (how the reports are submitted), and harmonization of technical specification (how the data is standardized and conveyed). This approach allows software companies to use the same technology to submit reports from any reporting entity to any regulatory agency. This enables economies of scale which lowers the cost of reporting.

3 harmonizing pillars of Dutch SBR:

- * *Data definitions*
- * *Process*
- * *Technical specification*

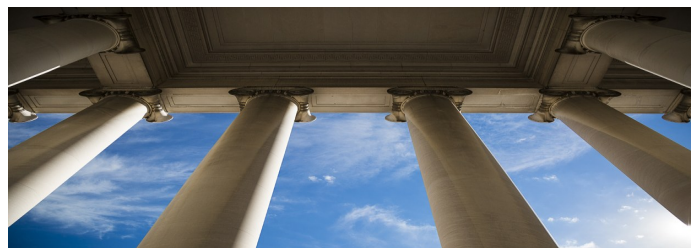
Many, and varying, reporting entities.
Different reported data.

The Ministry of Education collects data from approximately 2,000 schools and universities. The Housing Corporation collects data in structured format from 400 semi-government institutions that build and rent apartments and houses. The Business Registrar collects data from approximately 1.5 million businesses, the majority of which are sole proprietors. Several thousand small to medium sized entities use their own software or ERP system or may engage an outside accounting firm to prepare the reports on their behalf.

The Dutch tax authority has 12-15 different tax-related streams, from income tax, to VAT, to inheritance tax, and almost all reports are required to be reported in XBRL format. For some tax-related streams, the authority provides a portal preparation and submission; in other cases, accounting software is used to prepare and submit the tax report. The Business Registrar also provides a portal for micro and small companies which allows them to prepare and submit annual reports.

Reliance on commercial and open-source software providers for optimal efficiency.

When the Government began implementation, they started with smaller reporting entities first because collecting digital data from vast numbers of reporting entities presented the biggest opportunity to re-



duce administrative burden. As noted earlier, the Government provided portals for the smallest entities to make the transition less burdensome.

That said, the Dutch Government is reluctant to provide reporting services as they prefer to rely on the competitive software market for the greatest efficiency and economies of scale. Commercial software providers play a critical role, and the Dutch Government has encouraged their involvement in the SBR program.

For VAT collections for example, there are approximately 100 vendors that assist reporting entities to prepare their VAT reports. While there are many accounting software applications that provide reporting tools that generate machine-readable XBRL data, about 80% of the market falls to around a dozen vendors. Entry level accounting software for small businesses ranges from €20-€30 per month (\$21-\$32); reporting of data in machine-readable (XBRL) format for submission to regulators is bundled into the software. Similarly, for larger organizations that outsource their financial reporting to accounting firms, the cost of XBRL preparation is typically included in the price.

Shared data dictionary. Modularized with regulators responsible for their own data collection.

Each regulator is responsible for their own taxonomy, but the agencies together share the same high-level data dictionary and syntax so that their data can be commingled and is interoperable. All entry points to the taxonomies are consolidated and there is one interface for data submission. The submission platform validates the messages received and then sends the message directly to the appropriate

agency. If the message does not pass the validation check, it is rejected and does not go on to the agency, although an audit trail representing the submission is maintained to confirm that it was received. No data is centrally stored.

The Tax authority built, and now manages, their own taxonomy and database, relying on validation rules to check for accuracy and data quality. The Business Registrar, Housing Corporation, and Ministry of Education outsource the development and management of their individual taxonomies. Although they maintain separate taxonomies, common data dictionaries are reused, and the same technical specification is followed.

SBR expands to banks.

With XBRL-based data preparation and collection very much ingrained into the normal business activities of companies of all sizes, SBR has expanded into the private sector. The government-created shared data dictionary and approach is now leveraged in SBR Nexus, a program established by the three major Dutch banks, ING, ABN Amro, and Rabobank.

In collaboration with the government and the corporate sector, the banks created a data exchange platform to standardize the transmission of data between property owners and banks in a secure, efficient, and seamless manner. It leverages the official SBR taxonomies used for financial reporting. The Dutch banks use SBR Nexus to collect digital reports on their customers' operations.

Banks were involved in SBR from the start of the program and are able to leverage some of the data points already defined by government agencies. They started with the taxonomy for annual reports that were defined by the government and extended this report with more granular data points. No data was sent from the Business Registrar to the banks but instead the “store once, report many”, principle was used. This approach gives businesses the opportunity to make consistent software, where all data points are aligned, and ensure that one coherent report is sent to the banks.

SBR Nexus then added the collection of commercial real estate data for evaluation purposes, including



appraisal reports, rental lists, and building-specific ESG data. It has expanded into “Know Your Customer (KYC)” data from real estate clients. The Corporate Sustainability Reporting Directive (CSRD), a European Union (EU) program to collect ESG data from corporate entities, may provide some of the data needed by banks but is not sufficiently granular for bank needs. Banks are required to reduce CO2 emissions from loan clients and need to gather detailed information like CO2 emissions per type of truck in a situation where they are financing the purchase of trucks. Data collected at a more granular level must roll up accurately into the higher-level data collected through CSRD.

SBR Nexus is now incorporating banking confirmation into the program. A company can provide a banking confirmation signed by the client that allows their auditor to request the company bank statements and confirm that a client’s annual report is in line.

For smaller entities reporting in SBR Nexus, portals have been provided that allow data to be entered into the form and submitted. The form is generated directly from the taxonomy so that it’s updated quickly when there is a new taxonomy release.

The data is used both to help make credit decisions and to ensure that the banks have better, more up to date and finer-grained performance information about the companies in their lending portfolios. This, in turn, helps banks in the Netherlands to fine tune their own credit models, improving capital allocation, and overall risk management.

Ahead

In future years, Dutch regulators plan to expand SBR to cover additional sectors and organizations. The [SBR Roadmap 2020-2025](#) names three strategic goals:

1. **Aim for high quality and future proof electronic data exchange**
2. **Innovate ways of working and strengthen knowledge, skills and communication**
3. **Maintain and strengthen relationships with stakeholders**

The Dutch experience illustrates the power of data standards programs that can be used to improve efficiencies, reduce burden, and generate economies of scale in any market. We encourage FDTA agencies to consider this approach as they establish their own roadmap for FDTA implementation.

Read more about SBR in the Netherlands:

SBR web page: <https://www.sbr-nl.nl/english/what-is-sbr>

Standard Business Reporting, Unequivocal and simple reporting: <https://www.sbr-nl.nl/sites/default/files/public/Afbeeldingen/En-gelse factsheet Eenduidig en eenvoudig rapporteren.pdf>

SBR Nexus: <https://sbrnexus.nl/>

For more information, email info@xbrl.us.

