

XBRL in Finland

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Driving the demand

- The EU requirement for electronic filings
- The TYVI system
- Basel II
- CEBS and the COREP taxonomy
- The XBRL Europe project
- Peer pressure
- The software aspect

The EU requirement

“Member States shall ensure that, by 1 January 2007, the filing by companies, as well as by other persons and bodies required to make or assist in making notifications, of all documents and particulars which must be disclosed pursuant to Article 2 will be possible by electronic means. In addition, Member States may require all, or certain categories of, companies to file all, or certain types of, such documents and particulars by electronic means.”

Nice things about XBRL

- Global standard, software support, critical mass
- Some (quite many) technically useful features – a lot of wheels already invented
- Has matured significantly
- Fills a real need

Problematic aspects

- General-purpose, therefore heavy and complex
- Not quite everything totally elegant
- The structure of taxonomies varies a lot
- Problematic governance model
- Slightly oversold
- Rather expensive

But, after all

- An open standard file format for Finnish financial statements and tax returns would be useful...
- ...anything other than an XML-based format would be silly...
- ...ignoring XBRL would be a quite strange thing to do.

Making it work

- Who does?
- Who pays?
- Who owns?
- Who updates?
- Who benefits?

Suggested solution

- The taxonomy as such ought to be developed *and maintained* by two or three parties:
 - Department of Trade and Industry / Finnish Accounting Board
 - Department of Finance / Tax Authority
 - National Board of Patents and Registration
- Speed and stability!

Suggested solution

- While the taxonomy is being developed, companies, universities and other organisations ought to gear up to exploit the possibilities
- It's one piece of the puzzle – can be a catalyst!
- Research, collaboration, networks needed

Timetable

- Q3 2005 – development starts
- Q1 2006 – public review of beta taxonomy
- Q2/3 2006 – taxonomy finalized
- 1.1.2007 – solutions deployed