

Heads Up

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The review included Form 10-K submissions made by large accelerated filers during the 2010 year-end reporting season and some submissions that were subject to the SEC's detailed tagging requirements.

SEC Staff Publishes Observations on Interactive Data (XBRL) Submissions

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Introduction

The staff in the SEC's Division of Risk, Strategy, and Financial Innovation recently published [observations](#) resulting from a review of XBRL¹ submissions from the first two months of 2011. The review included Form 10-K submissions made by large accelerated filers during the 2010 year-end reporting season and some submissions that were subject to the SEC's detailed tagging requirements. Although the staff noted that "filers continue to devote significant effort to consider their responsibilities under this program, comply with the new rules and provide high-quality submissions," it still identified a number of areas for improvement, some of which had previously been identified in similar communications made at the end of 2009 and 2010.² This *Heads Up* summarizes the staff's key observations.

Note that the SEC's Office of Interactive Disclosure also recently updated its "[Staff Interpretations and FAQs Related to Interactive Data Disclosure](#)," which address questions about some of the more technical aspects of such disclosure requirements. It also posted a "[Summary of XBRL Information for Phase 3 Filers](#)" that provides other useful information for registrants being phased into the interactive data requirements.

Although these communications are not SEC rules, regulations, or statements, registrants are encouraged to "prepare future filings that are consistent with the themes of [the SEC staff's] observations."

Highlights of Key Observations Made by the SEC Staff

- *Financial statement format* — Filers should concentrate on the quality of the tagging rather than on trying to match the rendering of the XBRL-tagged financial statements exactly to the HTML filing.
- *Negative values* — Registrants should challenge their use of negative values in XBRL submissions. Generally, amounts should be entered as positive numbers in interactive data exhibits.
- *Extended elements* — Registrants need to continue to exercise judgment when determining whether to create an extension instead of using an element from the standard U.S. GAAP taxonomy.
- *Modeling of detailed tagging* — The staff noted significant diversity in the modeling of line items, axes, and members in the interactive data exhibits submitted by registrants subject to the detailed tagging requirements.

¹ eXtensible Business Reporting Language, also referred to herein as "interactive data."

² Refer to Deloitte's December 4, 2009, *Heads Up* on lessons learned from the review of initial submissions of XBRL files.

Highlights of Key Observations Made by the SEC Staff (continued)

- *Units* — “Every element in the U.S. GAAP taxonomy has an XBRL item type attribute,” and registrants must remember to designate a unit in their interactive data exhibit submissions that is consistent with that XBRL item type.
- *Completeness of tagging* — Registrants should remember that “parenthetical amounts on the financial statements, monetary amounts found in subscripted text, . . . and Regulation S-X Article 12 schedules are tagged.”

Financial Statement Format

Some filers have placed undue emphasis on matching the rendering of XBRL-tagged financial information with their HTML financial statements. Although the EDGAR Filer Manual (EFM) establishes a number of requirements that help to ensure that rendered versions of the interactive data files will “virtually” mirror the traditional financial statements, SEC rules do not require the XBRL financial statements to exactly match the HTML statements. Filers should refer to Regulation S-T Compliance and Disclosure Interpretation [Question 130.08](#) for clarification of this issue. The response to that question explicitly states, “There is no such requirement.”

Although registrants may find the rendered version of their interactive data files to be useful in performing a completeness check of those files, a comparison of the rendering to the HTML financial statements cannot ensure that the tagged data is consistent with the underlying information. XBRL is meant to be read by computers; the readability of this data by people is secondary to the data’s accuracy, and a rendering of the interactive data files that appears to mirror a registrant’s traditional financial statements provides no guarantee that the underlying data is accurate.

Negative Values

The SEC staff observed that most elements in the U.S. GAAP taxonomy are designed so that the related amounts generally are entered as positive values; however, this does not relieve a registrant of its obligation to perform sufficient analysis. In particular, a filer may need to focus greater attention on determining the correct sign to use when tagging amounts recorded in the statement of cash flows or statement of changes in stockholders’ equity because balances in those accounts are subject to fluctuation and negative amounts may be appropriate. As discussed above, registrants should not enter a given element as a negative value solely in an attempt to conform the rendering of the interactive data to the HTML financial statements.

Extended Elements

When a registrant maps its financial statements, it should understand that using a standard element from the U.S. GAAP taxonomy may be appropriate even if the element’s definition is not exact. To help registrants determine whether to use a standard element, the EFM notes that an “element should be interpreted by the substantive meaning provided in its definition. . . . As important as they are, all definitions have limitations, so preparers should not base their choice of an element simply on minor, immaterial differentials in definitions.” The SEC staff echoed this guidance in its observations, stating that registrants (1) should not extend “when an existing US GAAP taxonomy element is available” and (2) should extend “only when there is a material difference between the standard US GAAP element and the filer’s financial statement line item.” Registrants should use multiple taxonomy search strategies to ensure that before they create a new element, no suitable standard element already exists in the taxonomy. The staff also reiterated that extensions should not be created to achieve a certain rendering, stating that registrants should not “extend solely to achieve a desired formatting of the XBRL data.”

Some filers have placed undue emphasis on matching the rendering of XBRL-tagged financial information with their HTML financial statements.

The staff encourages registrants that must create an extension to “borrow” from the U.S. GAAP taxonomy whenever feasible when determining the balance attribute for the extension element.

Modeling of Detailed Tagging

The staff observed significant diversity in how registrants modeled line items, axes, and members in their interactive data submissions and noted instances in which “the US GAAP taxonomy has standard tables modeled and filers have unnecessarily extended axes and members and not used existing elements in the US GAAP taxonomy.” The staff also remarked that some filers extended their axes and members solely to achieve formatting similar to their HTML financial statements, which, as indicated [above](#), is unnecessary and may be misleading. Registrants are reminded to use the taxonomy’s standard tables whenever possible.

The staff encourages registrants that must create an extension to “borrow” from the U.S. GAAP taxonomy whenever feasible when determining the balance attribute for the extension element to ensure that the new element is as comparable as possible to similar existing elements in the taxonomy. For example, an extension that is similar to a standard element in the U.S. GAAP taxonomy should have a balance attribute (e.g., “credit”) that is the same as that of the standard element.

Units

The staff indicated that “[e]very element in the US GAAP taxonomy has an XBRL item type attribute, and filers must use a unit in their interactive submissions which is consistent with that XBRL item type.” To illustrate, the staff stated that “elements with a Monetary XBRL item type must use a unit, such as USD, which defines the currency in which the monetary amount is reported.” In particular, the staff observed a number instances in which registrants used “Pure” as the unit for amounts such as “useful lives, expected contractual terms, notional amounts, volume of gas or oil, or counts such as number of employees or number of properties held” when related elements in the taxonomy do not have Pure XBRL item types.

Other Key Observations

Completeness of Tagging

Filers need to remember that the financial statement schedules required by Regulation S-X, Article 12, are subject to the block-text and detailed tagging requirements. In addition, filers need to ensure that any parenthetical amounts included in the financial statements or footnotes, and monetary amounts found in subscripted text, are tagged in accordance with the level of detail required by the SEC’s interactive data rules.

Tagging Alphanumeric Numbers

Certain financial information may be presented alphanumerically (e.g., “one,” “1 million,” “one fourth,” “25 cents,” or as ratios such as “1 to 5”) in a registrant’s periodic filings. The staff observed that monetary values, percentages, and numbers that are required to be tagged are sometimes tagged with only string-type elements. While this treatment is acceptable, alphanumeric amounts must also be tagged separately as amounts.

Insufficient Calculation Links

Some registrants have submitted interactive data files “that contain either no calculation links, or many fewer calculation links than required by . . . the EDGAR Filer Manual.” Filers are reminded that such submissions do not comply with the EFM even though they will not currently trigger a validation error warning.

2011 U.S. GAAP Taxonomy

As noted on the SEC's Web site, the SEC staff "strongly encourages" filers to use the most recent version of the U.S. GAAP taxonomy in order "to take advantage of the most up to date tags related to new accounting standards and other improvements." However, the staff noted that because the 2011 U.S. GAAP taxonomy was released only a few months before the second quarter of 2011, which includes one of the phase-in dates under the SEC rules, filers can still use the 2009 U.S. GAAP taxonomy for their upcoming XBRL submissions. Note that the changes made to the 2009 U.S. GAAP taxonomy are detailed in the [release notes](#) to the 2011 U.S. GAAP taxonomy on the FASB's Web site and that the content of the 2011 U.S. GAAP taxonomy can be easily viewed by using the online viewer. Noteworthy areas of change include new accounting pronouncements, an expanded choice of accounting policy and table text block tags, newly deprecated tags, revised definitions, and industry-specific tag content.

Appendix — How the SEC Rules Will Affect Registrants in 2011

The table below outlines how registrants will be affected by interactive data requirements in 2011.

Registrant	How Affected
Large accelerated filers that were in the first phase-in group	Modified liability provisions under Regulation S-T will expire. ³
All other large accelerated filers reporting under U.S. GAAP	Interactive data file submissions must include detailed tagging of financial statement footnotes and schedules, beginning with periodic filings for periods ending on or after June 15, 2011. Registrants generally are able to take advantage of a 30-day grace period for their first detail-tagged interactive data file submission. ⁴
All remaining filers subject to the rules and reporting under U.S. GAAP	Initial interactive data file must be submitted, including: <ul style="list-style-type: none"> • Tagging of individual amounts on the face of the financial statements. • Block-text tagging of financial statement footnotes and required financial statement schedules. Interactive data files must also be posted on the registrant's corporate Web site (if any). Registrants generally are able to take advantage of a 30-day grace period for their initial interactive data file submission. ⁵
Foreign private issuers that prepare their financial statements in accordance with IFRSs as issued by the IASB	Interactive data files are not required to be submitted or posted on corporate Web sites (if any) until the SEC specifies on its Web site a taxonomy for such foreign private issuers to use in preparing their interactive data files. ⁶

³ The modified liability provisions of Regulation S-T, Section 406T, apply to interactive data files submitted less than 24 months after the electronic filer first was required to submit an interactive data file, not taking into account any grace period. After this date, an interactive data file is subject to the same liability provisions as the related official filing.

⁴ Those using the grace period would submit their interactive data file with an amendment to the appropriate periodic form (e.g., on a Form 10-Q/A) in accordance with Regulation S-T, Item 405.

⁵ See footnote 4.

⁶ Refer to the [interpretive letter](#) on the SEC's Web site.

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