

Company 1
Company 1
Company 1

Data Warehouse

Securities Regulator

Central Bank

Statistics Office

Internet

Financial

The background features a flowchart with nodes: 'Company 1' (three instances), 'Data Warehouse' (cylinder), 'Securities Regulator', 'Central Bank', 'Statistics Office', 'Internet' (globe), and 'Financial'. Arrows indicate data flow from companies through the regulator and bank to the warehouse, and from the regulator and statistics office to the internet.

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XBRL for Interactive Data

Engineering the
Information Value Chain

 Springer

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Engineering the Information Value Chain

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Foreword

“The period of promoting XBRL for its potential is over.
Promises are being realized”

**Olivier Servais, Director of XBRL Activities, International Accounting Standards
Committee (IASC) Foundation**

With the market turmoil of the early 2000's, perhaps we should look back through history and seek lessons from the past. In 1139, during the Catholic Church's second Council of Lateran, Pope Innocent II advised against the use of crossbows or *ballistas* – a type of medieval catapult – because their arrows and darts were launched so far ahead that the soldiers could not see the consequences of their actions. Investment bankers and others who took excessive risks would do well to remember this basic principle of caution. The good news is that today stakeholders are getting closer to the information they need.

XBRL, or “Interactive Data“ plays an important role in this new era of transparency. The period when XBRL was perhaps excessively promoted for its potential benefits – remember the ‘better, faster, cheaper’ mantra? – is over. Promises are already being realized. I believe that most of the requisite conditions for the efficient implementation of XBRL are now in place: political decisions have been made, taxonomies are available and software solutions, including ERPs, are affordable.

The financial crisis of the early 2000's is playing an ambiguous role. Few people doubt XBRL's potential to improve information exchange and therefore assist in the restoration of market confidence by providing transparency. Yet at the same time few, if not forced, are willing to dedicate the time and money to implement it. This applies to all countries and regions as all are affected, though some have been quicker on the uptake than others. I was highly impressed that XBRL as a concept or idea in Japan is no longer discussed because it is already implemented. It is a similar situation in Belgium, where all non-listed and non-financial companies – approximately 280,000 of them – have been filing in XBRL for some time.

In this sense, XBRL is becoming a non-issue. Why? Commitment and endorsement from high level decision-makers, who want to see XBRL embraced in their markets. As well as Japan and Belgium, there are interesting examples of XBRL adoption in Australia, China, France, India, Italy, Poland, Spain and the US.

As the Director for XBRL Activities at the IASC Foundation – whose standard-setting body the International Accounting Standards Board (IASB), is responsible for developing International Financial Reporting Standards (IFRS) – I am closely involved in the development and implementation of XBRL for international financial reporting. The IASC Foundation is promoting XBRL because we believe in the benefits it offers all stakeholders and end-users such as investors and banks. Our commitment is to provide IFRS in XBRL – the IFRS taxonomy – to the

highest quality and at the same time as the IFRS are released. At present, more than 100 countries worldwide are either allowing or mandating IFRS and very few are doing so without also considering XBRL. It is no coincidence that the main expected benefit of Belgium switching to XBRL was to ease the transition to IFRS. The world's financial markets are desperately seeking greater accuracy; in this respect, they have much in common with Pope Innocent II.

An important pre-requisite for success of standards such as XBRL is not only the taxonomies and software tools that I mentioned above, but also knowledge about the standard in the wider community. That is why this book is both timely and valuable. The authors traverse all the key technologies within the XBRL domain. They provide many practical examples that allow the reader to become thoroughly familiar with the design of taxonomies and the production of instance documents within a wide range of settings. So now is the perfect time for the international community to familiarise itself with XBRL and to reap the benefits from it. It is simply time to get to work with XBRL. I wish you a lot of success with this book.

The opinions expressed are those of the author and do not necessarily reflect the views of the IASB or the IASC Foundation.

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The views expressed in this book are those of the author and not those of the IASC Foundation.

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