

CIPC XBRL Programme - Current Status and Future Developments

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Table of Contents

High-Level Summary of Content

- What you already know (Summary of XBRL)
- Digitisation: 4IR, Strategy, Companies Act
- Where is the CIPC now?
- Developments: Current and New
- Vision for SBR

XBRL AS “INTELLIGENCE” IN FINANCIAL REPORTING



XBRL is an open international technology standard for digital business and financial reporting

Managed by international not for profit consortium – XBRL International (xbrl.org)

Provides intelligent context to data via taxonomies (data dictionaries), like “barcoding of data”

Provides for electronic data exchange between organisations

Alignment with accounting standards (e.g. IFRS & GRAP)

Removes Ambiguity from Financial Concepts (e.g. what is “Revenue”)

Efficiency

DIGITISATION AS STRATEGY OF THE CIPC



Quote from the Current Strategic Document of the CIPC
(par 8.2.6):

***Digitisation remains key for CIPC
in preparation for the Fourth (4th)
Industrial Revolution”***

4IR IN SOUTH AFRICA



Quote on the Website of the Presidential Commission on
4IR (4ir.gov.za):

“The definition of this industrial revolution is not quite set in stone and the technologies associated with it are moving targets whose true value will reveal themselves to us as we explore them.”

*“However, the 4IR can be broadly defined as an integration of **faster**, **efficient** and **intelligent** technologies.”*

THE COMPANIES ACT AND 4IR

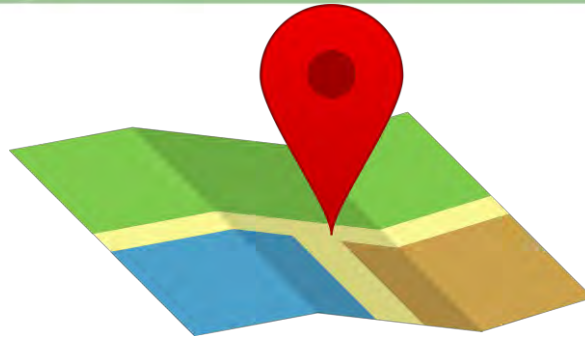


Quote from Regulation 30 (5)(a) of the Companies Act as updated in 2011:

“The Commission must establish a system to select and review a sample of financial accountability supplements, audited annual financial statements or independently reviewed annual financial statements that have been filed

”
...

WHERE ARE WE NOW?



**Around 38 000 successful
filing since 1 July 2018**

**Workflow System for
Sampling. In-depth review
of AFSs**

**Business Intelligence (BI)
System for Reporting.
Trends, Ratios, General
Stats**

**Current Taxonomies
Active from 1 Oct 2020:
IFRS 2020
GRAP (for testing)**

**SSP Panel:
23 Member Providers**

CURRENT & NEW DEVELOPMENTS



Project in Progress to Update Taxonomy with IFRS 2021 Updates of IASB – Roll-out 1 Oct 2021

GRAP Taxonomy in Testing – Mandatory 1 Oct 2021

Bulk Data Sharing Pilots – Ad Hoc Basis

Subscription Portal for Data Sharing

Digital Assurance

CURRENT DEVELOPMENTS – IFRS 2021 UPDATES



IFRS 2021 updates released by IASB during March 2021 What has changed?

Covid-19-Related Rent Concessions (Amendment to IFRS 16 - *Leases*), issued by the Board in May 2020 ([IFRS Taxonomy 2020—Update 1](#));

Property, Plant and Equipment—Proceeds before Intended Use (Amendments to IAS 16 - *Property, Plant and Equipment*), issued in May 2020 ([IFRS Taxonomy 2020—Update 3](#));

Amendments to IFRS 17 - *Insurance Contracts* and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4), issued in June 2020 ([IFRS Taxonomy 2020—Update 3](#)); and

Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9 - *Financial Instruments*, IAS 39 - *Financial Instruments: Recognition and Measurement*, IFRS 7 - *Financial Instruments: Disclosures*, IFRS 4 - *Insurance Contracts* and IFRS 16 - *Leases*), issued in August 2020 ([IFRS Taxonomy 2020—Update 2](#)).

CURRENT DEVELOPMENTS – IFRS 2021 UPDATES (CONTINUED)



IFRS 2021 updates released by IASB during March 2021 What has changed?

The IFRS Taxonomy 2021 also includes new common practice elements and general taxonomy improvements to support high-quality tagging of:

Disclosures related to IAS 19 - *Employee Benefits* ([IFRS Taxonomy 2020—Update 5](#)); and
Information presented in the primary financial statements ([IFRS Taxonomy 2020—Update 4](#)).

Refer to IASB Website: <https://www.ifrs.org/news-and-events/news/2021/03/ifrs-foundation-publishes-ifrs-taxonomy-2021/>

CURRENT DEVELOPMENTS – IFRS 2021 UPDATES (CONTINUED)



IFRS 2021 updates released by IASB during March 2021 What has changed?

- 246 new elements (77 are common practise elements)
 - 31 elements removed
- No critical technical updates to taxonomy architecture

Refer to “IFRS 2021 GAP Analysis” and “Data Model” document on iXBRL page on CIPC website (www.cipc.co.za) for details

CURRENT DEVELOPMENTS – IFRS 2021 UPDATES (CONTINUED)

To be implemented on 1 Oct 2021
Internal project timelines below:



Project Start Date	Feb 15, 2021
Project End Date	Jul 30, 2021
Key Milestones & Deliverables	<p>Mar 05, 2021 OFFICIAL</p> <ul style="list-style-type: none">• Project start (kick-off) <p>Mar, 15, 2021 OFFICIAL</p> <ul style="list-style-type: none">• Milestone: IFRS taxonomy publication <p>Apr 23, 2021 OFFICIAL</p> <ul style="list-style-type: none">• Delivery of the CIPC gap analysis report for taxonomy 2021 <p>Jun 3, 2021 OFFICIAL</p> <ul style="list-style-type: none">• Milestone: Market Feedback Received (Data Model) <p>Jun 11, 2021 OFFICIAL</p> <ul style="list-style-type: none">• Delivery of the CIPC data model for taxonomy 2021 <p>July 16, 2021 OFFICIAL</p> <ul style="list-style-type: none">• Milestone: Market Feedback Received (Taxonomy) <p>Jul 23, 2021 OFFICIAL</p> <ul style="list-style-type: none">• Delivery of the CIPC annual taxonomy 2020 and supportive materials• Delivery of all outstanding bug fixing releases for CIPC taxonomy 2020 <p>Jul 30, 2021 OFFICIAL</p> <ul style="list-style-type: none">• Project End (formal closure)

CURRENT DEVELOPMENTS – TESTING OF GRAP



Generally Recognized Accounting Practice or **GRAP** (defined by the ASB - Accounting Standards Board) is a set of fundamental concepts that serve as accounting process guidelines. They apply to the public sector.

IFRS classifies financial assets as financial assets at fair value through profit or loss where **GRAP** classifies financial instruments as financial instruments at fair value including financial assets/liabilities designated at fair value, financial instruments at amortised cost; and financial instruments at cost.

Who, Why and When?

State Owned Companies and companies owned by municipalities who are subject to compliance with the Public Finance Management Act and Municipal Finance Management Act must submit via GRAP as from 1 Oct 2021 (testing launched 1 Oct 2020)

CURRENT DEVELOPMENTS – DATA CONSUMPTION



Bulk Data Sharing

Ad hoc sharing with other regulators and private data aggregators on request

In process to draft MOUs with Stats SA & IRBA

Download of XBRL data as received for all or sub-sets of filings



New Data Quality Management (DQM) Framework Developed

Communicated with SSPs

To be implemented on 1 Oct 2021

Quarterly evaluation of quality of filings per SSP

4 Main Criteria for Evaluation

Completeness, Accuracy, Correctness, Consistency

NEW DEVELOPMENTS – DQM (CONTINUED)



New Data Quality Management (DQM) Framework Developed

Completeness

All mandatory data elements as defined via the taxonomy must be submitted. Built-in validations ensure essential completeness upon submission.

Additional Metrics for Critical Evaluation of Completeness:

Lacking Disclosure Substance and Form (e.g. IAS 1);
Hidden Tagging;
Missing Reports;
Lacking Current & Prior Year.

NEW DEVELOPMENTS – DQM (CONTINUED)



New Data Quality Management (DQM) Framework Developed

Correctness

Correctness is defined as freedom from errors. Built-in validations ensure calculations are essentially correct (e.g. totals and balances).

Additional Metrics for Critical Evaluation of Correctness:

Unresolved Warnings;
Visual Display Insufficient (e.g. abuse of block tagging);
Technical Issues (e.g. Zip or XHTML not opening).

NEW DEVELOPMENTS – DQM (CONTINUED)



New Data Quality Management (DQM) Framework Developed

Accuracy

A XBRL filing may pass all built-in system validations and therefore be considered both complete and correct, but still not accurate. Accuracy is therefore defined as the faithful measurement or representation of truth (or validity). In the context of XBRL filings, the accuracy of an individual data element and the filing as a whole point to the value, meaning and usefulness of what was reported on.

Metrics for Critical Evaluation of Accuracy:

- Footnotes not Valid;
- Inconsistent Calculation;
- Companies Act Contraventions;
- Inappropriate Use of "Other" Tag.

NEW DEVELOPMENTS – DQM (CONTINUED)



New Data Quality Management (DQM) Framework Developed

Consistency

Consistency can be defined as similarity. In the context of XBRL filings, lack of quality filings are often tracked to the same issues being repeated. Consistency is therefore measured by how often completeness, correctness and accuracy (or the lack thereof) is repeated as a percentage of total attempted filings.

Metrics for Critical Evaluation of Consistency

Re-use of Same Tags in different places;
Repeated Issues.

NEW DEVELOPMENTS – DQM (CONTINUED)



New Data Quality Management (DQM) Framework Developed

Individual spreadsheets for every SSP will be maintained for recording of the exact filings that have been deemed to be problematic over a defined period. When a filing is reviewed and no issues are found with the data quality, nothing will be recorded. Maintenance of the spread sheets will therefore be done on a basis of exception.

	A	B	C	D	E	
1	XBRL DATA QUALITY ASSESSMENT FOR SSP XYZ					
2	Period: 1 October 2021 - 31 December 2021					
3						
4	Completeness					
5	Lacking Disclosure Substance and Form (e.g. IAS 1)	Hidden Tagging	Missing Reports	Lacking Current & Prior Year	Unresolved Warnings	Visual Display
6	2010/123456/07					
7		2011/123456/07				
8			2012/123456/07			
9						

NEW DEVELOPMENTS – SUBSCRIPTION PORTAL



Currently Planned but not yet Developed

Portal for customer registration to request AFSs filings

Access to AFSs of specific entities – AFSs in public domain

Potential auto-sharing of bulk data via API (Application Programming Interface)

Fee considerations

NEW DEVELOPMENTS – DIGITAL ASSURANCE



Professional Designation & Audits / Reviews

First Step: Tag in taxonomy for professional designation (QR codes / Base 64 images)

Next Steps: Potential Auditing / review of actual XBRL files

How?

3rd Part Certification / Digital Signatures
Block Chain

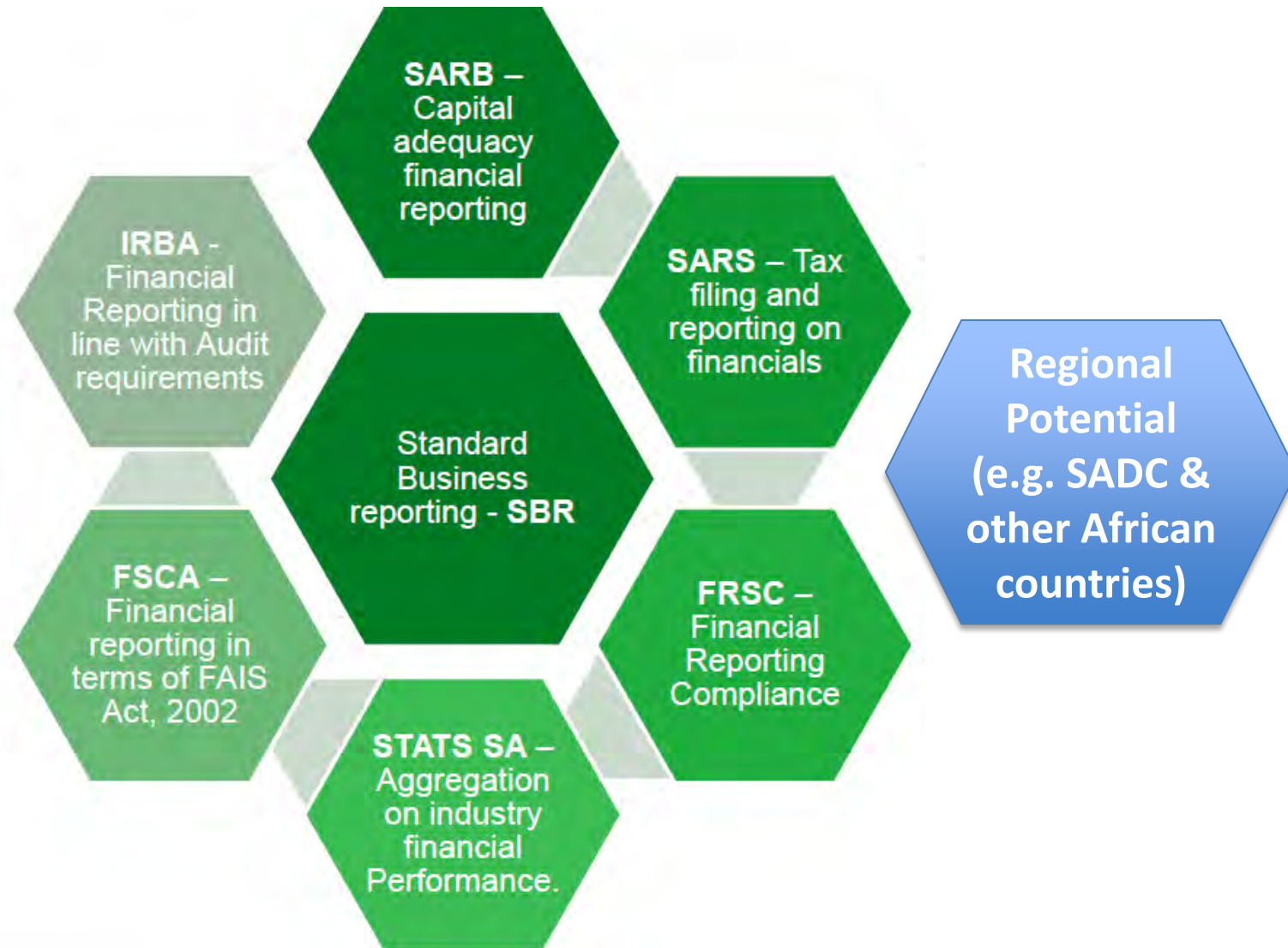
Professional Bodies Involvement Required (e.g. IRBA) to Establish Digital Assurance

VISION FOR THE FUTURE BEYOND THE CIPC: SBR

Principle:
Report-Once-
Share-Many



COLLABORATION



QUESTIONS





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Property Commission

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THANK YOU