

“Comparative financial reporting standards” Backgrounder Document on XBRL in La Paz Nov 25th 2005 “

What is XBRL?

XBRL (eXtensible Business Reporting Language) is an information standard that will significantly change financial reporting. Designed specifically to enhance financial information exchange, XBRL is an electronic format for simplifying the flow of financial statements, performance reports, statistics, accounting records, and other internal and external financial information between different environments. A major advantage is complete compatibility in communication as well as presentation on the INTERNET. Today, entities use many different hard copy and electronic formats to report and exchange financial information including annual reports and regulatory filings.

XBRL is based on the International Standard “eXtensible Markup Language (XML)” and is independent of any hardware platform, software operating system, programming language or accounting standard. The standard is being supported by more than 300 organisations worldwide – the XBRL International consortium.

Who has developed XBRL?

XBRL International is made up of over 300 global companies, including the world’s leading accounting, technology, government and financial services bodies. The consortium is responsible for raising the awareness of XBRL, driving its adoption and developing taxonomies – the dictionaries of terms that form XBRL.

For a current and comprehensive list of all companies participating in XBRL development, please go to <http://www.xbrl.org>, the website of XBRL International.

What are the benefits of XBRL?

XBRL offers wide-ranging benefits to all participants in the financial reporting supply chain – both consumers and preparers of financial information: accountants, auditors, creditors, financial analysts, investors, the public sector, business and technology decision makers, such as the CFO, CIO, CTO, Controller, and senior executives of Finance, Investor Relations, Financial Research, Regulatory authorities, Software Vendors, and Information Technology.

For producers of information, it means “prepare once, use many times”. It will be cheaper, more secure and faster to produce and deliver better, even real-time, information to stakeholders for immediate analysis and decision-making.

For consumers of information, who have had to hunt down information and manually input it into their systems, XBRL will exponentially increase the transparency of reported information by allowing instant access and re-use. More time will be spent analysing, rather than gathering, information.

- ✍ **CPAs and CPA firms:** XBRL allows CPAs to focus on the value-added work of analysing business information. CPAs also benefit from the reduction in data errors and the increased speed and transparency at which information is accessible.
- ✍ **Companies who prepare business reports and financial statements:** These companies can increase efficiency and accuracy in the preparation of business reports and financial statements because they are created one time and published as printed reports, XBRL-files or on web sites, exchanged in internal corporate reports, or submitted as regulatory filings.
- ✍ **Financial publishers and data aggregators:** More efficient data collection lowers operating costs associated with custom data feeds and reduces errors, allowing these groups to concentrate on adding value to the data and increasing transaction capacity.

- ✎ **Analysts, Investors, and Regulators:** Consumers of business reports benefit from new possibilities in automated analysis and more frequent release of information. These groups also benefit from receiving transparent information in an electronic, reusable format with high quality, security and traceability.
- ✎ **Independent Software Vendors:** Virtually any software product that manages financial information can use XBRL for its data export and import formats, thereby increasing its potential for full interoperability with other financial and analytical applications. XBRL also opens up better product possibilities for analyzing the information in financial reports as well as secure signing routines.
- ✎ **Information Technology consultants:** Like software vendors, this community can discover better opportunities that result from XBRL adoption. These opportunities include benchmarking, data and application integration as well as customizing analytical programs and reviewing the impact XBRL can have on IT throughout the customer's enterprise.

Who is already using XBRL?

Many of the world's exchanges and regulatory bodies are in various stages of XBRL acceptance: Danish Commerce and Companies agency, Dutch Water Boards, UK Inland Revenue, the US Federal Deposit Insurance Commission, Toronto Stock Exchange and the Tax Authority of Japan etc.

Organisations working on XBRL include Morgan Stanley, Fujitsu, Microsoft, Reuters, the Big Four and many many more.

What is happening (june 2005) with XBRL ?

Over the last two years there has been a growing interest in most parts of the world. In Europe a Permanent Secretary for "XBRL in Europe" has been assigned by the EU Commission to promote the use of the XBRL-standard in public administration as well as in the private sector. More than 30 major national projects have been launched around implementing XBRL in different areas.

XBRL will have a significant impact on the flow of financial information in adopting countries. It will also make the production of financial information more efficient, secure and transparent and thus it will have an impact on the private and public sector as well as their auditors. Therefore it is a substantial advantage to spread the implementation of an international standard for Financial Reporting to all countries handling financial data no matter at what stage the actual infrastructure is levelled.

In a process to obtain a national standardisation in financial reporting it is of great value with someone is initiating a start of a collaboration to create an organisation for building a local Taxonomy and become the founders of the Bolivian XBRL jurisdiction.

The objectives of this initiative is

- ✎ to create one or more Bolivian XBRL taxonomies applicable for entities reporting under IFRS as well as under other rules.
- ✎ to liaise with neighbour- and the international XBRL organisation
- ✎ to foster communication and implementation of a local Jurisdiction

How can I find out more about XBRL?

For more information about XBRL please visit www.xbrl.org or contact Liv A. Watson, Vice President of Global Strategy EDGAR Online, Inc. Chair: XBRL International Jurisdiction Development Committee, Member IMA Board Member <mailto:lwatson@edgar-online.com> or Lars Berglöf, President of eReport AB, Senior Advisor XBRL Sweden. <mailto:lars@ereport.se>