



ONLINE FINANCIAL REPORTING WITH XBRL AND ITS IMPACT TO THE ACCOUNTING PROFESSION: AN INITIAL ASSESSMENT

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PRESENTATION OUTLINE



- **What is XBRL**
- **Benefits and Problems**
- **Impact to the Accounting Profession**

- **Discussion**
- **Conclusion**

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WHAT IS XBRL



- XBRL stands for

“eXtensible Business Reporting Language”

XBRL, closely related to previous XML (eXtensible Markup Language), is an Internet-based technology which is rapidly emerging as a standard means of communicating information between businesses and on the internet. i.e. financial reporting.



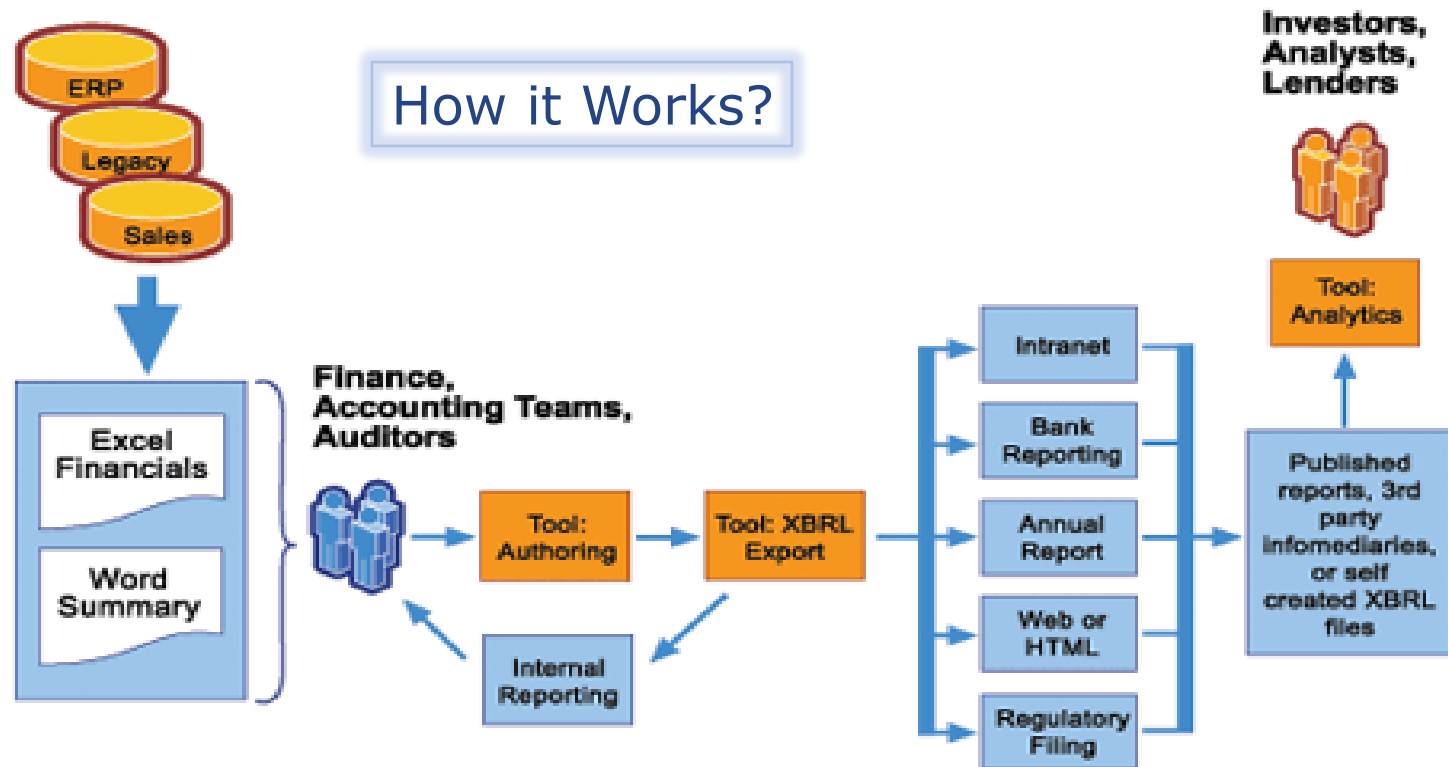
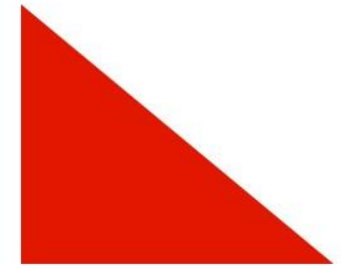
WHAT IS XBRL



- **1998, *XBRL International*** (An international non-profit consortium of about 450 major companies, organizations and government agencies, mainly the US)
- **2005 February**, The first version of XBRL final rules by SEC (U.S. Securities and Exchange Commission)
- **Currently over 19 Countries Participated:**
Australia, Belgium, Canada, China, Denmark, France, Germany, Ireland, Japan, Korean, Netherlands, New Zealand, Poland, South Africa, Spain, United Arab Emirates, United Kingdom & the US.



WHAT IS XBRL



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BENEFITS OF USING XBRL

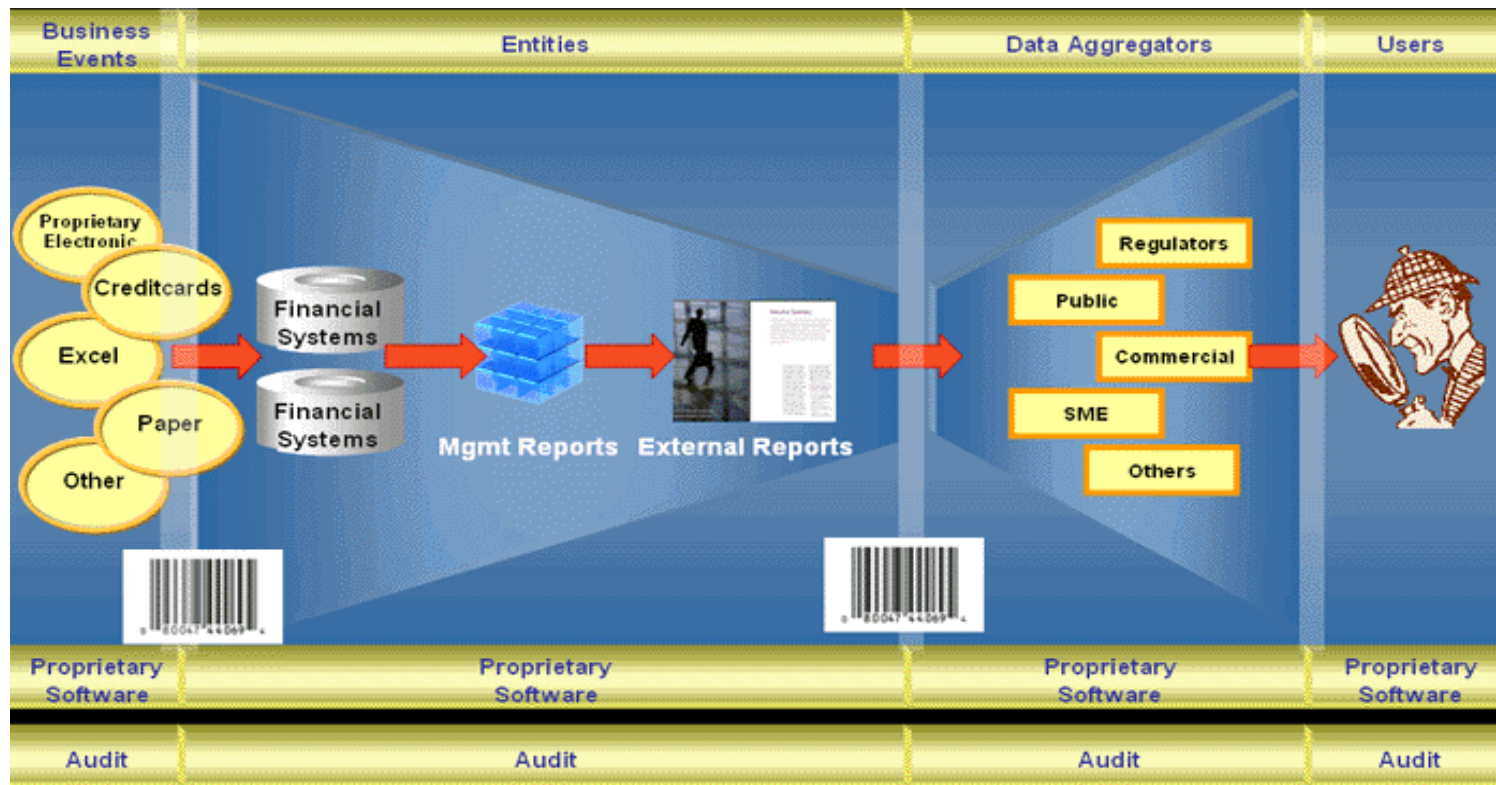


- **Cheaper** (Reducing the Cost of creating/managing financial information)
- **Faster** (Live Financial Reporting)
- **More Accurate** (Reducing the Errors of manual input and transcription)
- **More Reliable** (Financial Reports will be automatically created by the computer on reliable websites)
- **More Comparable Internationally** (Financial information can be transferred and converted between different financial systems)



BENEFITS OF USING XBRL

- Today's Financial & Business Reporting Supply Chain

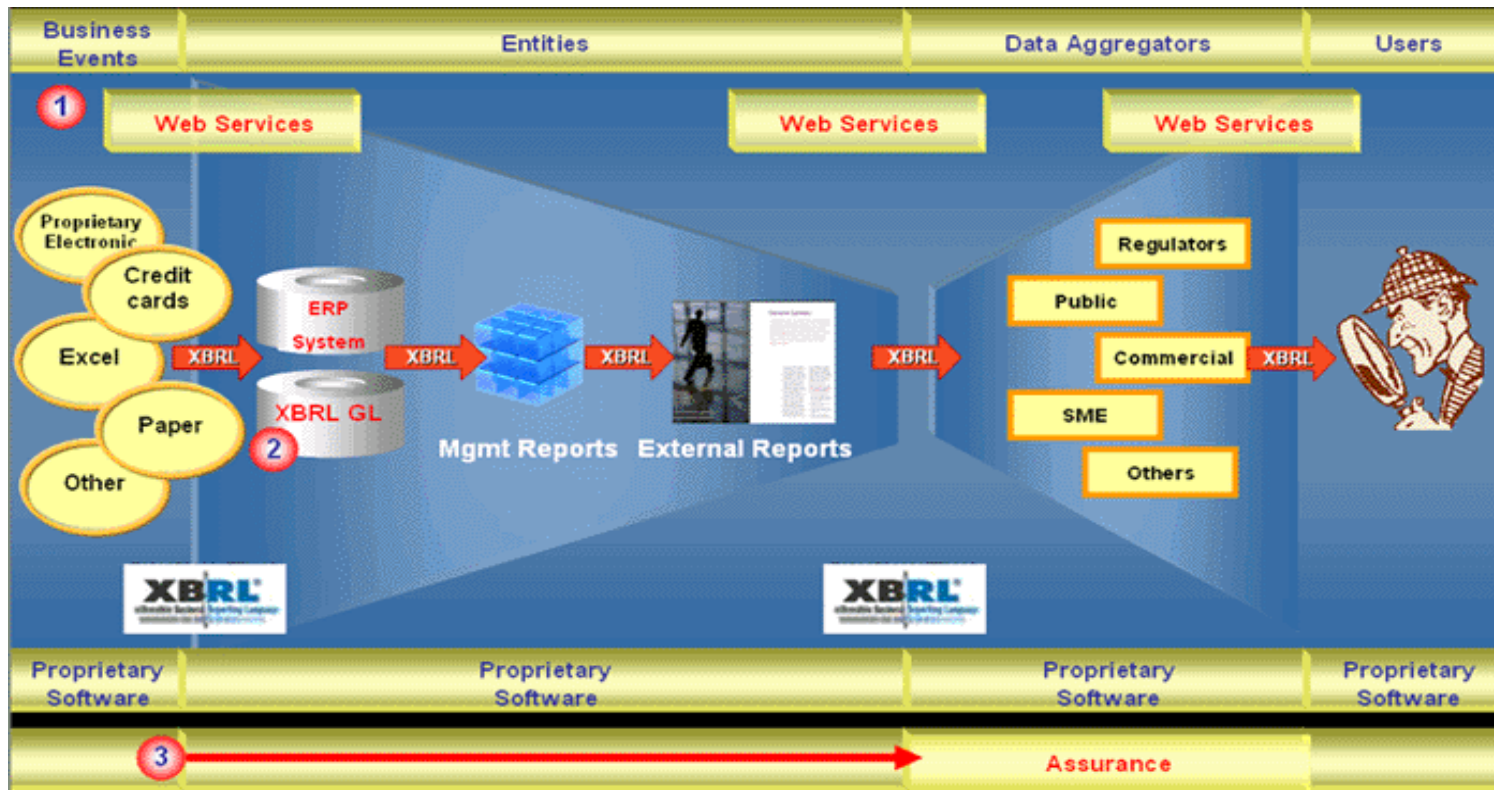


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BENEFITS OF USING XBRL

- Tomorrow's Financial & Business Reporting Supply Chain



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PROBLEMS WHEN ADOPTING XBRL



- XBRL is still very young, very new.
 - Few people knew about it
 - Enterprise setting up cost
 - Taxonomy and application software still need to be developed
- Securities Issues on Internet Database
- Impact to the Accounting Profession



IMPACT TO THE ACCOUNTING PROFESSION



- **Types of Accounting Work**

After Adopting XBRL, traditional book keeping work will be largely decreased
Accountants are going to be more analytical

- **Number of Accountants Needed**

When XBRL are widely applied to the financial system,
The need of traditional accountants' job maybe comparatively decreased.
A portion of financial manager can handle additional accounting work straightforwardly.

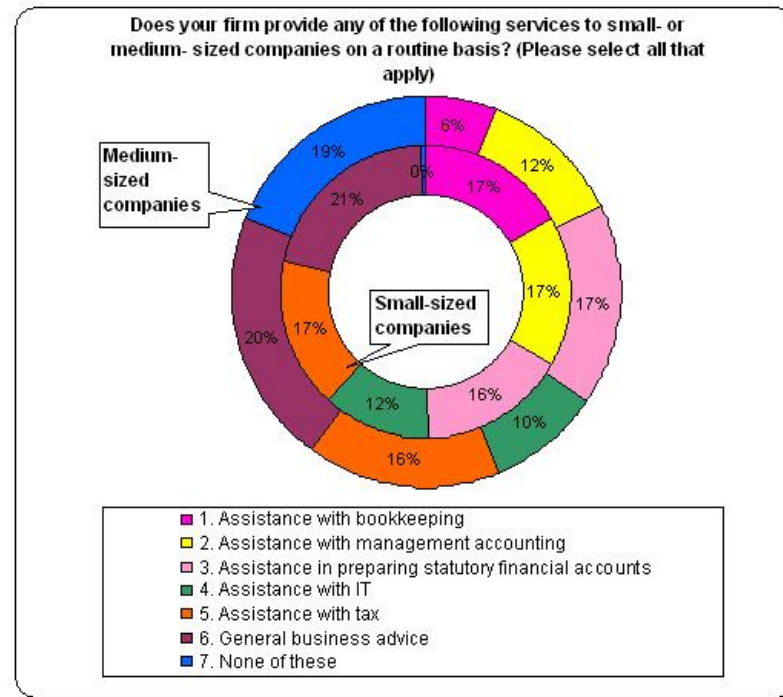
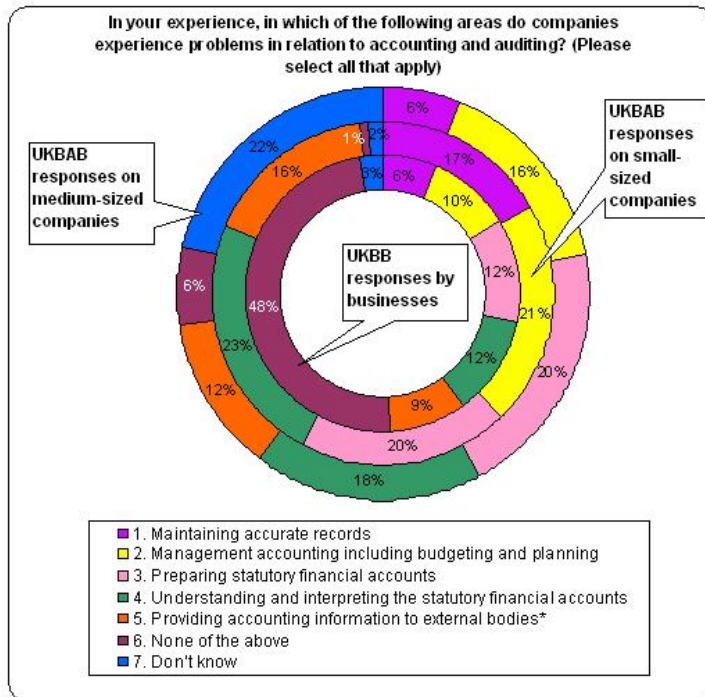
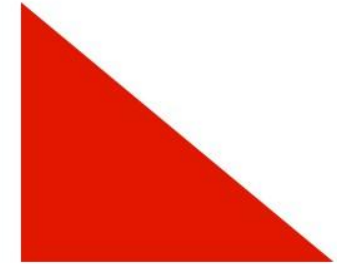
- **Social Issues**

There may be a period of small chaos when this new technology becoming functional.
People need to learn. Companies have to train current accountants.
Senior aged accountants may feel uncomfortable.

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IMPACT TO THE ACCOUNTING PROFESSION

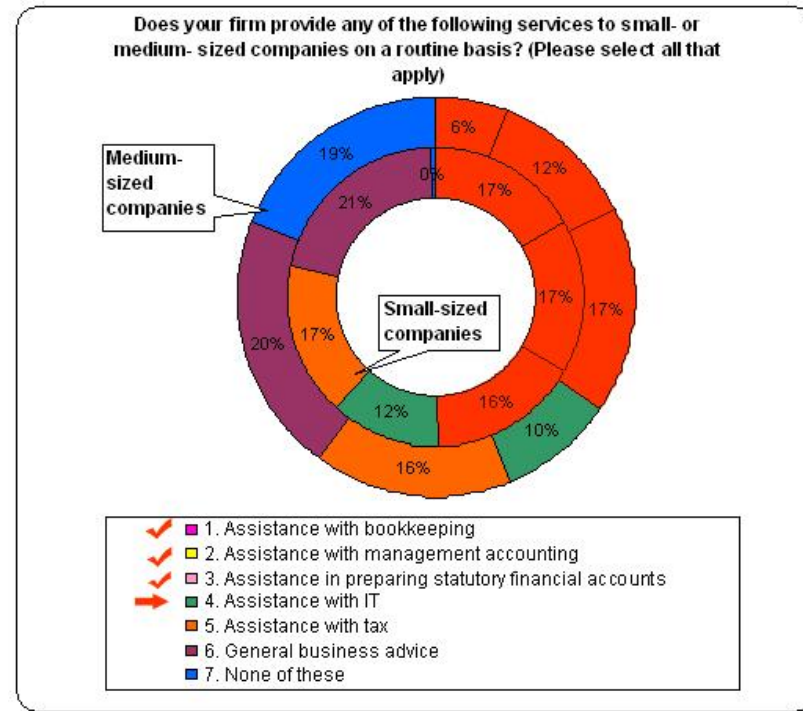
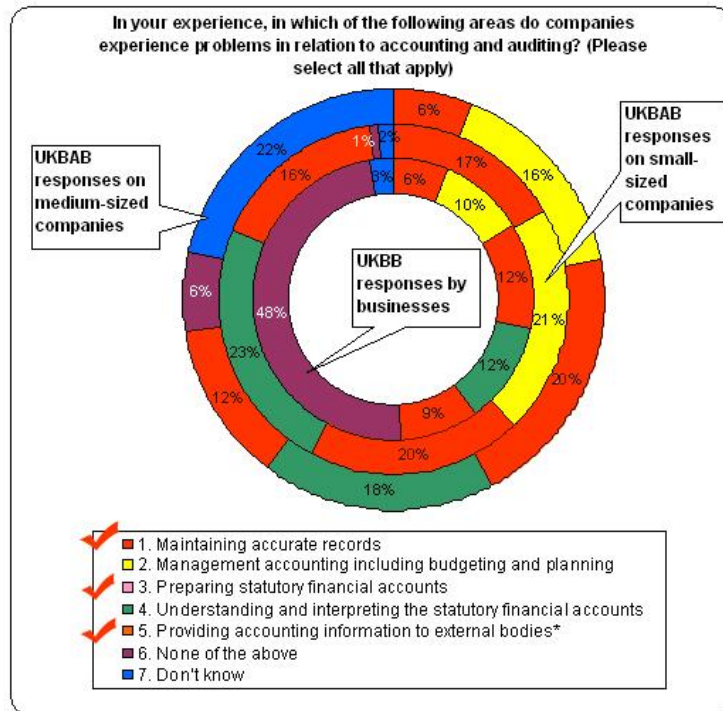
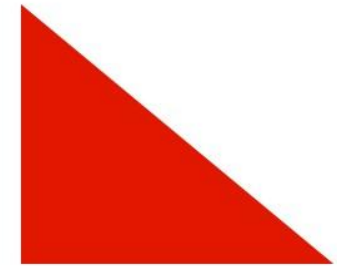


Survey in current accounting profession, data from: [Business Adviser Barometer](#), 441 Professional Accountants and Business Advisers

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IMPACT TO THE ACCOUNTING PROFESSION



Problems that XBRL will Solve (marked in red)

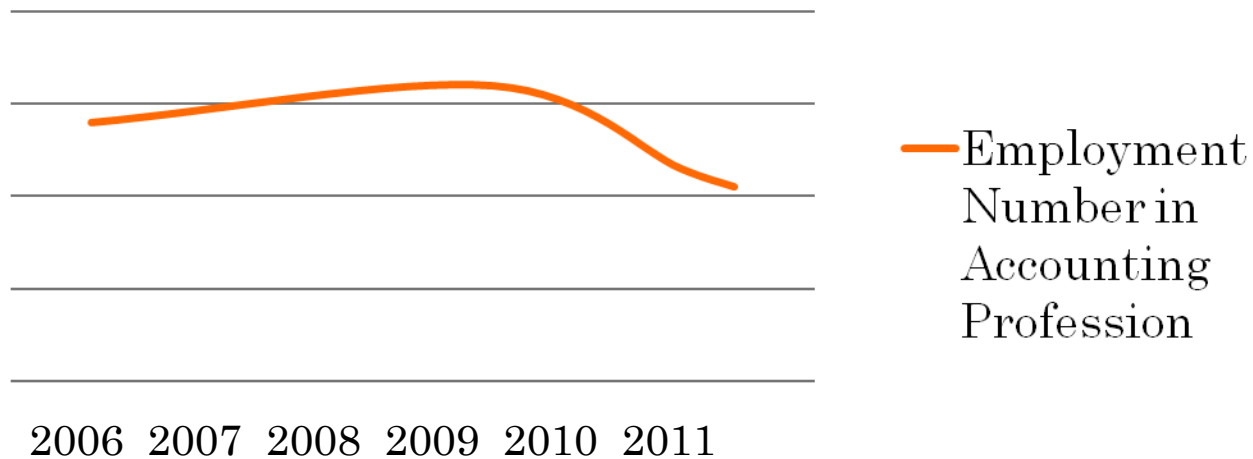
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IMPACT TO THE ACCOUNTING PROFESSION



○ Time Trend Estimation



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CONCLUSION



Online Business Reporting with XBRL is leading a technical evolution in today's financial system.

- Acceptable
- Positive
- Be Prepared

PS: UK XBRL Adoption
Deadline **31 March 2010**,
from HMRC



Thank You ! 😊

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