

Introduction to eXtensible Business Reporting Language (XBRL)

XBRL is a **global standard** method for the electronic exchange of business information (replacing 100s of proprietary methods). XBRL is also a method of expressing meta-data and semantics, which is how the business information can be exchanged. Basically, this is what the XBRL Specification provides.

XBRL represents a **global agreement of the semantics** of financial reporting concepts and business rules. These concepts and rules, the semantics, have already been created for IFRS and US GAAP. These two taxonomies provide agreed upon semantics against the respective set of accounting standards. So, rather than each company defining its own financial reporting terms and business rules, standard taxonomies of concepts and rules have been created which enhances comparability across companies.

XBRL is also an **organization**, comprised of 500+ members from around the world which stands behind and maintains XBRL. The non profit organization XBRL International provides this. XBRL will cause a fundamental change in infrastructure relating to the creation and consumption of business information as the cost/benefit model for creating and using such information has fundamentally changed.

XBRL provides an **XML-based framework** that the global business information supply chain can use to create, exchange, and analyze financial reporting information including, but not limited to, regulatory filings such as annual and quarterly financial statements, general ledger information, and audit schedules. XBRL is freely licensed and facilitates the automatic exchange and reliable extraction of financial information among various software applications anywhere in the world.

XBRL extends XML to improve the efficiency, accuracy and transparency of reporting and information exchange. The key to the power of XBRL is the concept of a taxonomy, or metadata model. The taxonomy not only tags the data but also defines structure to the information being exchanged, business rules that operate on the information, and a framework for easily creating new taxonomies by extending existing ones. Taxonomies exist today for a wide range of business applications including US GAAP, IFRS (International Financial Reporting Standard), CRAS (Credit Risk Assessment Services), XBRL-GL and the COREP/FINREP (under Basel II Accord).

A few examples of high-impact XBRL efforts today include:

- 1) FDIC (Federal Deposit Insurance Corporation) – 8,600 banks submitting call reports quarterly to government regulators using XBRL ([more information](#))
- 2) CEBS (Committee of European Bank Supervisors) – European banks submitting reports (COREP/FINREP) using XBRL under Basel II to their country's banking supervisor. As an example, Banque de France is currently live with a system for its 630+ submitting banks ([more information](#))
- 3) SEC Voluntary Filing Program – the SEC has a program in place where companies submit filings (e.g. 8-K, 10-Q, 10-K) using XBRL ([more information](#))
- 4) Dutch Ministry of Finance – In order to reduce the administrative burden of business filing, the Netherlands Taxonomy Project will facilitate the filing of tax declarations, annual reports and economic statistics using XBRL with a goal of saving businesses 350 million Euros a year ([more information](#))
- 5) Microfinance Information Exchange (MIX) – a supplier of information to the 25 billion dollar microfinance industry, MIX is putting in place a reporting system using XBRL to promote greater transparency for 900+ microfinance institutions and organizations that invest in them ([more information](#))