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The Ukrainian Securities and Stock Market State Commission, in cooperation with USAID Capital Markets Project, conducted a seminar “Achieving Reporting Efficiency in Financial Sector through XBRL” on May 23, 2006 in Kyiv, Ukraine.

Representatives from Securities and Stock Market State Commission (SSMSC), USAID and XBRL team of the International Accounting Standards Committee Foundation (IASCF) shared their knowledge, experience and perspectives

for providing XBRL technology in reporting system of financial institutions.

**Kurt Ramin**, XBRL Team Leader of International Accounting Standards Committee Foundation (IASCF) presented XBRL Technology to participants.

XBRL is a technology for the electronic communication of business and financial data which is revolutionising business reporting around the world. It provides major benefits in the preparation, analysis and communication of business information. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data.

XBRL stands for eXtensible Business Reporting Language. It is one of a family of "XML" languages which is becoming a standard means of communicating information between businesses and on the internet.

Instead of treating financial information as a block of text - as in a standard internet page or a printed document - it provides an identifying tag for each individual item of data, which is computer readable.

The introduction of XBRL tags enables automated processing of business information by computer software, cutting out laborious and costly processes of manual re-entry and comparison. Computers can treat XBRL data "intelligently": they can recognise the information in a XBRL document, select it, analyse it, store it, exchange it with other computers and present it automatically in a variety of ways for users. XBRL greatly increases the speed of handling of financial data, reduces the chance of error and permits automatic checking of information.

Companies can use XBRL to save costs and streamline their processes for collecting and reporting financial information. Consumers of financial data, including investors, analysts, financial institutions and regulators, can receive, find, compare and analyse data much more rapidly and efficiently if it is in XBRL format.

XBRL can handle data in different languages and accounting standards. It can flexibly be adapted to meet different requirements and uses. Data can be transformed into XBRL by suitable mapping tools or it can be generated in XBRL by appropriate software.

Ernst&Young, KPMG, Microsoft, NASDAQ, Deloitte, PriceWaterhouseCoopers and a number of other financial institutions and organisations use XBRL in their reporting process.

**Maciej Piechocki**, a member of IASC Foundation and XBRL Team member gave more details on taxonomy principals and XBRL. In XBRL, a taxonomy is a dictionary, containing computer-readable definitions of business reporting terms as well relationships between them and links connecting them to human-readable resources.

Public taxonomies, such as IFRS-GP, define elements and relationships between them according to particular legislation or standards, for example “International Accounting Standards” (IAS) or “International Financial Reporting Standards” (IFRS). These XBRL-described concepts allow companies to create financial statements that are valid and compliant with the requirements of regulators. The latest version of it contains reference link base and labels in English, German, Portuguese and Japanese.

“Joining our efforts – the Commission on the one hand, financial market players on the other hand and international organisations experience and knowledge we can raise the quality and data use of financial reporting”, **Ivan Nesterenko**, Commissioner (SSMSC) remarked.



**Mykhailo Nepran**, Chief of Staff (SSMSC) spoke about the opportunity for Ukraine to use XBRL technology in financial sector. “Financial information should be open, transparent, complete and up-to-dated and to give potential investor an opportunity to choose and to make a decision – whether to invest or not. Besides, Ukraine has a growing number of companies interested in information disclosure in order to conduct a business in accordance with international standards.”

Mr. Nepran noted that some steps towards providing international standards of financial reporting had already been done: necessary legislation was adopted (on paperless technology, electronic signature). Also, a system of information disclosure is being worked on in cooperation with USAID Capital Markets Project (CMP).

“Ukraine faces important decision at the moment– where to go on information disclosure, how to improve transparency of financial documents. XBRL is opportunity for Ukraine to move to forefront of disclosure all over the world” – noted **Garry Linden**, Director of Office of Economic Growth, USAID.

**Rick Gurley**, Chief of Private Enterprise Division, Office of Economic Growth, USAID, noted that international financial reporting standards have been translated from English and are available for Ukrainian users. “This is extremely important stage for Ukraine – to adopt international standards of reporting and to require them on a national level. Ukraine has all components for that – a Russian language training, examination, and certification program of Certified International Professional Accountant (CIPA) ([www.cipa.org.ua](http://www.cipa.org.ua)), international financial reporting standards translations and opportunities to use XBRL technology”, he stated.