



## PRESS RELEASE

KYIV - On January 24-25, 2007, the Securities and Stock Market State Commission (SSMSC) under the auspices of the United States Agency for International Development (USAID) and Partnership for Financial Stability Program organized the Conference "Transparency and Disclosure: The Foundations for Good Governance and Investments". The aim of the Conference was to acquaint the participants with the international standards of information disclosure, as well as inform the participants as to the practical implementation of XBRL - the universal technology of electronic business reporting, - and practices of its implementation in other countries.

International experience proves that transparency is an integral part of a successful business. Disclosure by securities issuer of complete and accurate information as to its financial situation and performance contributes to trust from banks, partners, suppliers and customers, and has a positive impact on investors deciding to invest their capital in a company. Therefore, a transparent conduct of business ensures additional competitive advantages for companies, which is vital in a tough and competitive market environment.

Business transparency has become a given in developed economies now. The International Organization of Securities Commissions (IOSCO), the Organization of Economic Co-operation and Development (OECD), and the EU Directives approved the founding principles of information disclosure providing for complete, accurate and timely disclosure of financial performance and other information necessary for investors. The principles also require that the international accounting standards be distinct and generally accepted. These requirements and best practices facilitated a more consistent approach to the forms and content of information disclosure implemented by regulators and used by issuers in a majority of regulated markets.

Information disclosure is a cornerstone of modern capital markets and a tool for investors to carefully analyze the situation and make an informed investment decision. The significance of proper disclosure is understood well in Ukraine, too. Pursuant to providing access to full information on issuers on a real-time basis, the Securities and Stock Market State Commission, with a technical assistance from the USAID Capital Markets Project, has launched a pilot project on the creation and implementation of the electronic system of information disclosure by securities issuers (Electronic Disclosure System - EDS).

EDS is an information system for collecting, processing and disseminating business and financial reporting of securities issuers in the electronic format, which is necessary to ensure in the capital market. EDS permits issuers to generate reports in an electronic format and file it with the SSMSC by Internet; EDS also ensures immediate posting of the reports received on the SSMSC website. EDS provides for issuers' filing issue prospectuses, annual reports, quarterly reports for every one of the first three quarters of the year, and extended special (ad hoc) reports in compliance with the Law of Ukraine "On Securities and the Stock Market".

The organizers dedicated the second day of the Conference to the XBRL language of business and financial data transference (eXtensible Business Reporting Language).

The implementation of XBRL permits automatic processing of business information and eliminates time-consuming and costly manual input and comparison of data. XBRL considerably increases the speed of financial data processing, decreases the margin of errors, and ensures electronic data verification. It offers cost savings, greater efficiency and improved accuracy and reliability to all those involved in supplying or using financial data.

XBRL is being developed by an international non-profit consortium of approximately 400 major companies, organizations and governmental agencies. This standard is already being used by many countries today. Ernst&Young, KPMG, Deloitte, PriceWaterHouseCoopers, Microsoft and other well-known and successful companies are among the organizations that have already implemented XBRL in their financial reporting.