



Copenhagen Finance IT Region

Poul Kjær

**Manager Finansrådet, the Danish Bankers
Association and Vice Chairman of XBRL
Denmark**

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- Finansrådet – the Danish Bankers Association:

www.finansraadet.dk

- XBRL Denmark:

www.xbrl.dk

The Danish finance / IT sector



Many notable companies in the cluster...



Danish Positions of Strength

- Investment software
- IT-security
- Usability and customer service
- Process optimization and automatization
- Mobile solutions

CFIR's purpose



CFIR's Vision

” Copenhagen and the Øresund Region will be placed on the financial world map and will develop into an internationally renowned financial centre specialized in financial IT products and solutions”



Activities within CFIR

Activities:

- Cluster events and conferences
- Get F*IT-meetings
- Network initiatives
- Analysis
- Research
- Innovation and development cooperation

Examples of initiatives:

New educations

Companies have expressed great interest in new educational offers in the intersection between finance and IT. CFIR will produce a comprehensive analysis of the new competency needs, and how these needs can be met.

Danish Finance Institute

A cooperation between the sector and CBS to enhance world class financial research in Denmark

Technology networks

CFIR facilitates a range of innovative networks, among others within usage of technology, that brings companies, researchers and public authorities together

And what has this to do with XBRL? (I)

- CFIR facilitates the development and pilot test of a taxonomy for annual reporting and credit scores in corporation with XBRL Denmark
- That means that the Danish firms will have the possibility to send their financial information to the bank in connection to a credit application

And what has this to do with XBRL? (II)

- In the project participates Finansrådet, PWC, the Danish Business Register and XBRL Danmark
- The aim is to have the taxonomi developed in the first half of 2010
- Hereafter it is the plan to make a pilot test of the taxonomi

The 14 partners of CFIR



The 14 partners of CFIR

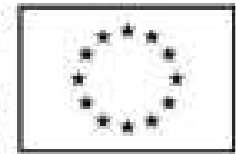
- 5 labour unions
- 4 universities
- 3 industry associations including Finansrådet
- Copenhagen's inward investment agency
- The Danish/Swedish cross regional network organisation

CFIR is supported by:

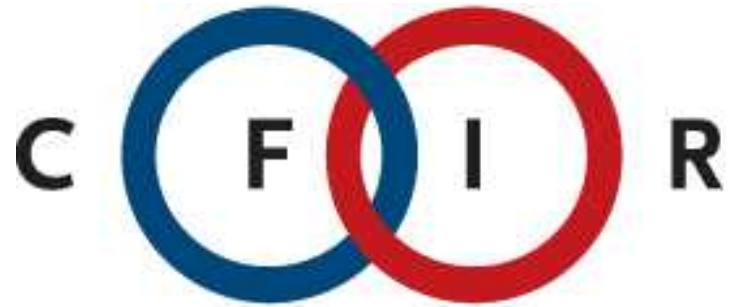


DEN EUROPÆISKE UNION

Den Europæiske Fond
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**COPENHAGEN
FINANCE IT REGION**

www.cfir.dk

Background

- ▶ DCCA? Is the Danish registration authority
- ▶ We receive and publish 140.000 class B annual reports each year (SMS' s)
- ▶ DCCA plays an important role in the national effort to reduce the administrative burdens.

” It ´s our goal that all our costumers should have the possibility to communicate 100 % digitally with us before end of 2010, and this should give a substantial reduction in the administrative burdens at minimum 12,5 %.“

„DCCA shall still be progressive- and on the forefront- when using new IT-technology, and the IT-Infrastructure shall meet the demands of all parties- and be prepared for all kind of tasks!

”



The project

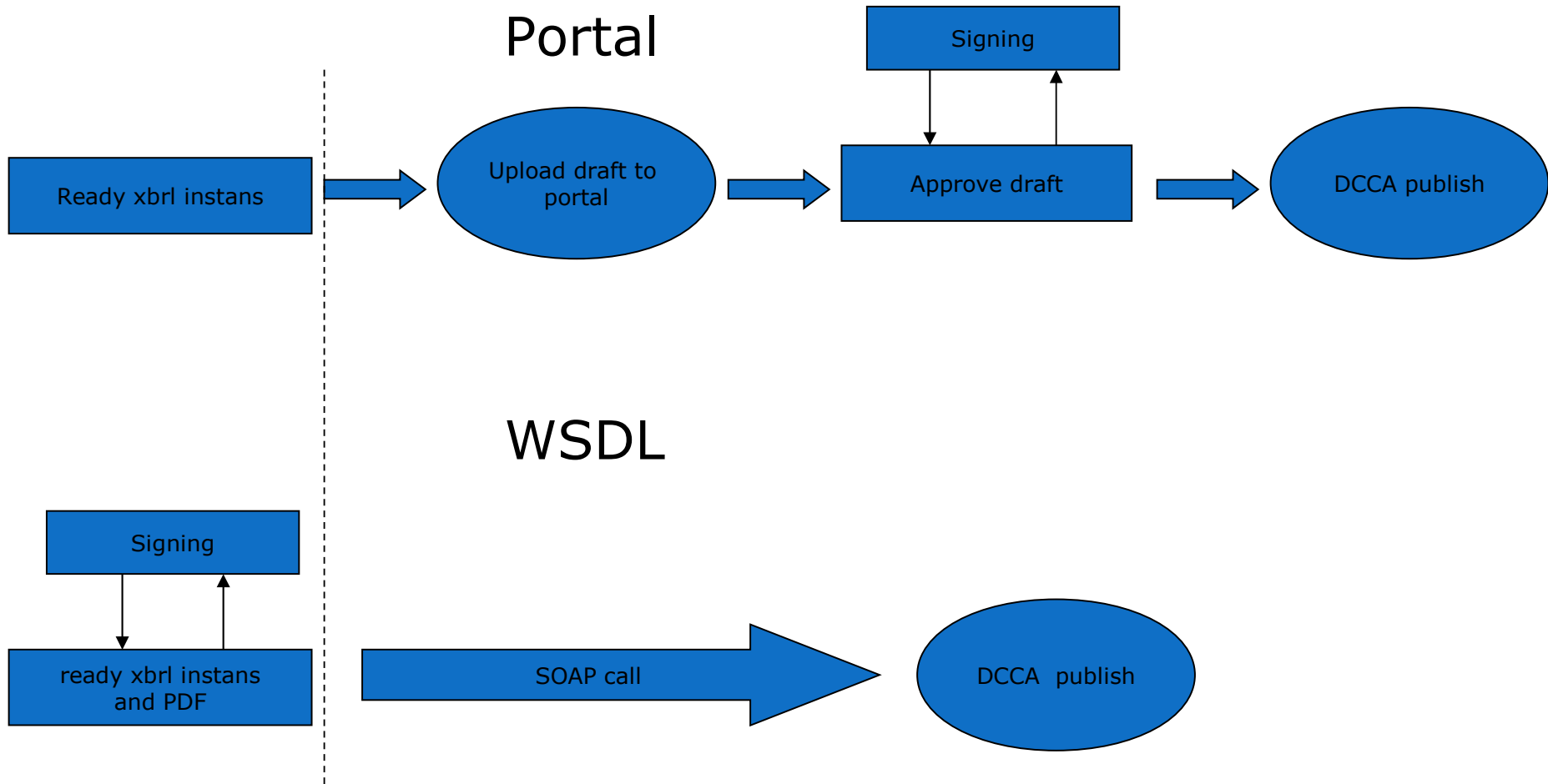
- ▶ **Year 2000:** a xml reporting form, no data storage
- ▶ **Year 2003:** XBRL upload solution and a XBRL reporting form, for parts of the annual report, storage in PDF format
- ▶ **Year 2007:** a full-scale XBRL solution for the Danish class B annual reports

The taxonomy

- ▶ Based on EU's 4. and 7. accounting directives (profit and loss and balance sheets) and generally accounting practice in Denmark for small companies (mainly notes).
- ▶ It includes a full annual report and contains the following sections: statement by the board of executives and board of directors, independent auditors report, executive report, accounting policies, profit and loss, balance sheet and notes.
- ▶ Our taxonomy for small companies is approximately 2900 lines and includes both Danish and English texts.

Content of XBRL instance

- "***Annual Account***" is filed at the **DCCA** and consist of: Statement by the board of executives and directors, Executive report, financial statements and the auditors report.
- ***Statistical reports*** is filed at the **Statistics Denmark (SD)** and is a collection of accounts of which some coinciding with the above mentioned accounts
- ***Tax return*** for companies is filed at the "**SKAT**" (TAX) an again some of the accounts coinciding with the above mentioned accounts.



What had happened (did not happen) since 2007?

- ▶ In 2008 we received 4 reports!!
- ▶ In June 2009 it was 300
- ▶ Until now (2010) we have received 1000 reports

“We expect that the companies, the financial sector and the public sector will generate significant cost savings when XBRL is used for both internal and external reporting”



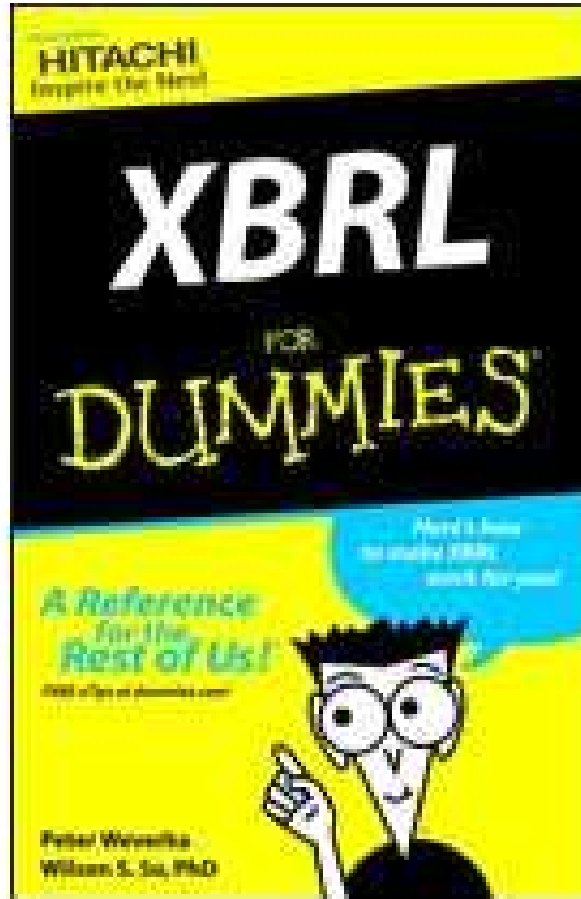
One annual report = € 500.000

Who to blame?

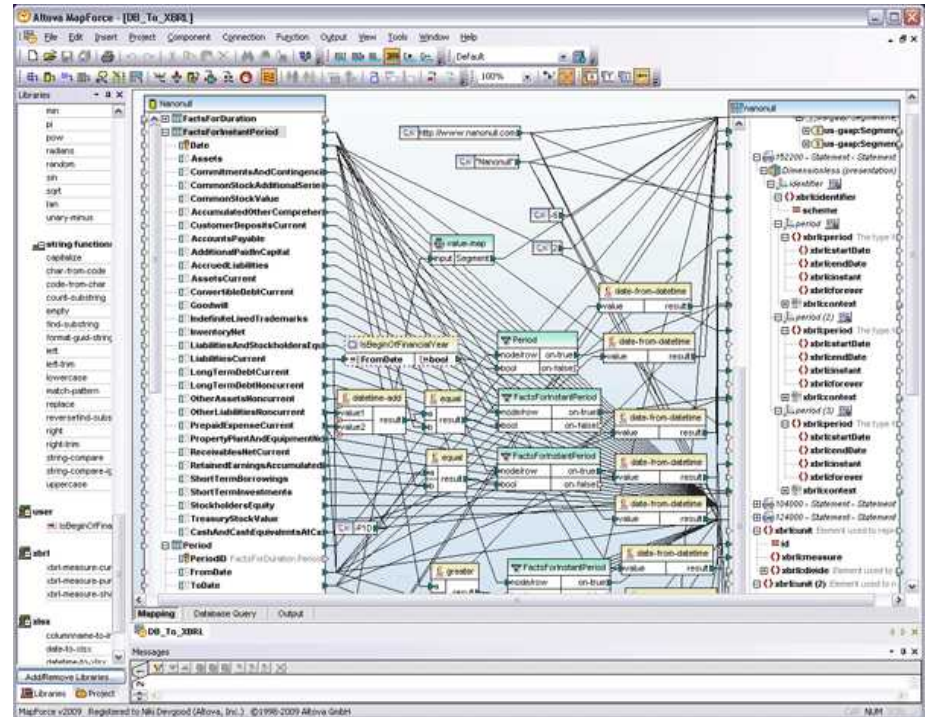


 **Me !!!**

XBRL is not for dummies



- ▶ **What's in it for us ?**
- ▶ It is difficult to create an instant document
- ▶ The ERP– systems/accountants systems are not ready for it
- ▶ The annual report in Denmark– Not a fixed format. We need to publish a more or less exact “copy” of the report, presented for the general assembly
- ▶ The accountants have to change their procedures and can not relate to the instance document “as the true picture” .



Prospects

- ▶ Focus on “end users”.
- ▶ Focus on the software companies, who develop the accountants systems
- ▶ Focus on new methods to present an instant document. (Inline XBRL)
- ▶ New version of the taxonomy (dimensions etc.)

- ▶ The taxonomy is enhanced to include listed companies later this year. (IFRS taxonomy)
- ▶ TAX prepares for voluntary filing for private companies in 2010
- ▶ Facilitate the use of XBRL in both the B to G and B to B sector

- ▶ Mandatory XBRL filing from 2011!!

Further information:

- ▶ Nils-Bro Müller, Senior advisor +4525325930, nbm@eogs.dk
- ▶ Link to portal:
- ▶ <http://archprod.service.eogs.dk/portal/portal/XBRL/XBRL>
- ▶ Link to taxonomy:
- ▶ **:Seneste version af taksonomien**