



cutting through complexity™

XBRL Survey 2011

Presentation of results

September 2011



- In 2008, the XBRL format was enforced by the CSSF for the regulatory reporting of the financials institutions. At that period of time, the usage of XBRL was not very widespread. The financials institutions had to cope with this new format, and they did it mainly by using a dedicated reporting tool embedding XBRL functionalities.
- This survey was requested by the association “XBRL Luxembourg a.s.b.l.” and aims at providing a snapshot of the XBRL usages in Luxembourg today. The study was based on two main axes which are the progress/evolution of XBRL in Luxembourg since 2008 and its possible extension/application outside the field of the regulatory reporting.
- Two types of participants were selected to be part of the survey:
 - Market players, covering the financial sector, the industry and the insurances.
 - IT players, such as software providers or consultancy firms.
- As the market players and IT players have a significantly different approach of XBRL, the results of the survey are presented in two distinct chapters in order to ensure consistency of the analysis.



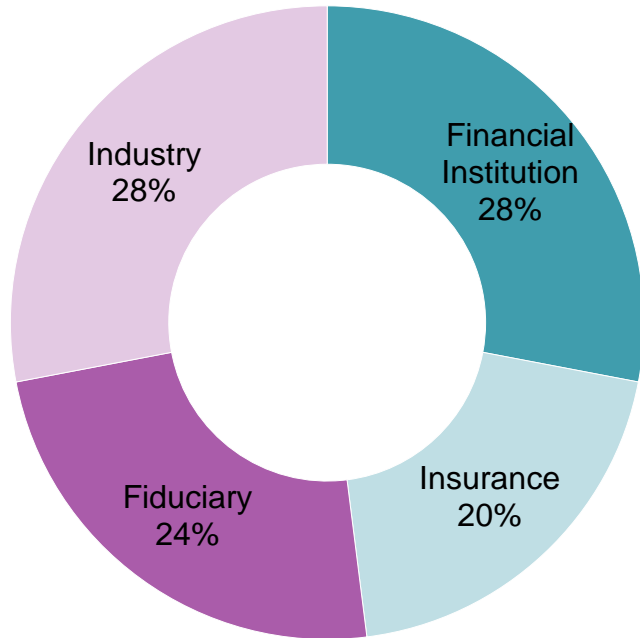


Market Players

Market players

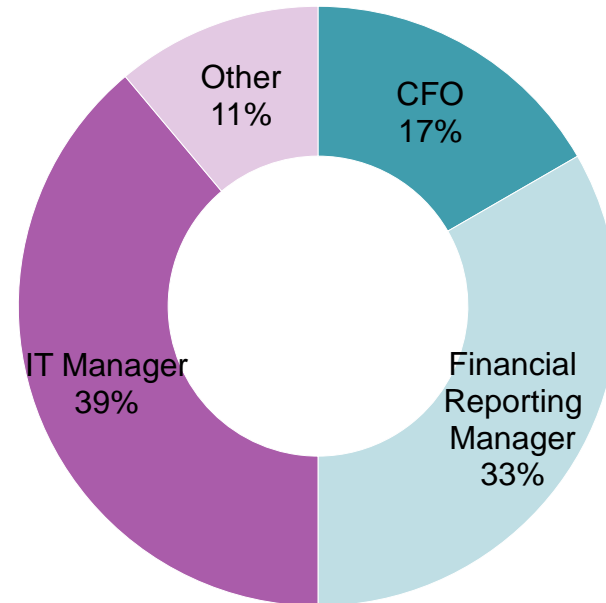
Description of the Participants

Distribution of participants



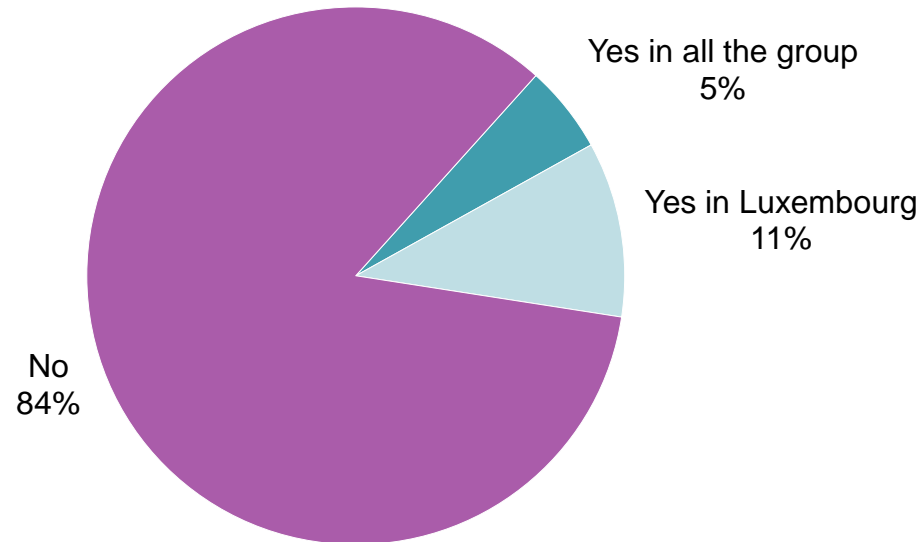
- Although participants from a variety of sectors were selected, the financial sector remains the most represented.

Position of the person completing the survey



- Profiles of respondents are mixed between IT and Finance representatives.

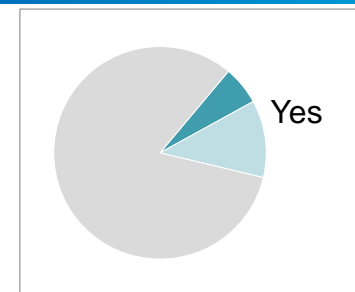
Implementation of an XBRL solution



- Only participants from the financial sector have implemented an XBRL solution (other than the regulatory reporting)

Main characteristics of the participants having implemented an XBRL solution

- Only the financial department is concerned
- The regulatory requirements are always the driver for the implementation of XBRL.
- The implementation did not lead to a review of business processes.
- There is no plan to abandon the use of XBRL.

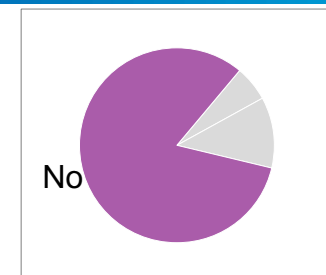
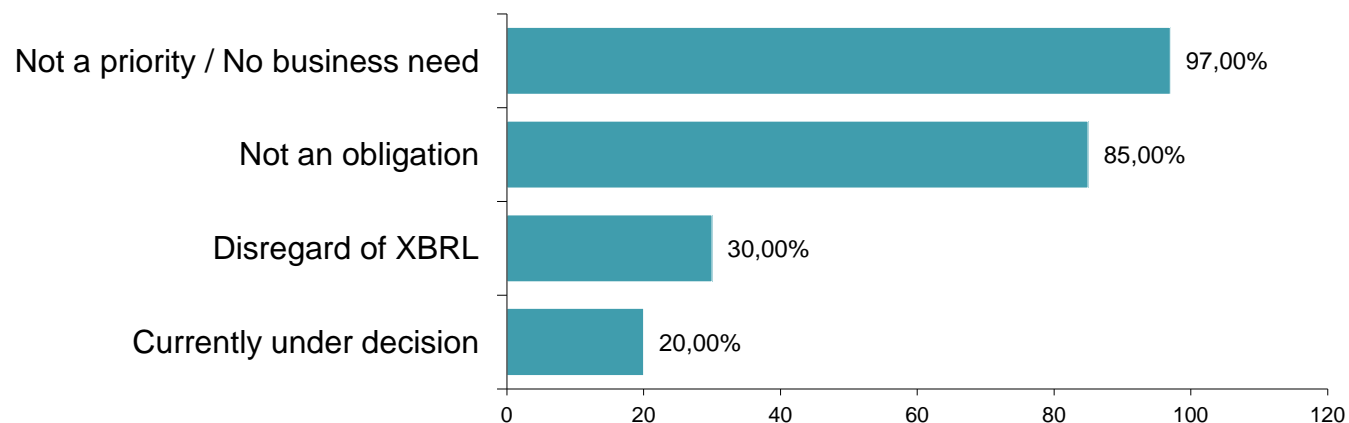


- One of the major bank in Luxembourg has decided to implement the XBRL for
 - The consolidation of regulatory reporting's at group level,
 - For Finrep and Corep.
- The solution is based on UBmatrix and the Invoke software solutions
- The project is currently on-going and is due to finish by end of this year

- The CSSF uses the validation functionalities of XBRL to verify the regulatory reports

Reasons for not using XBRL

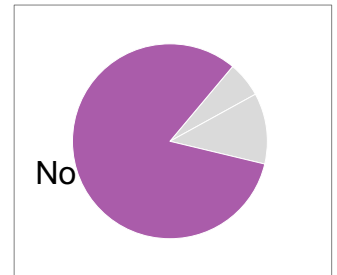
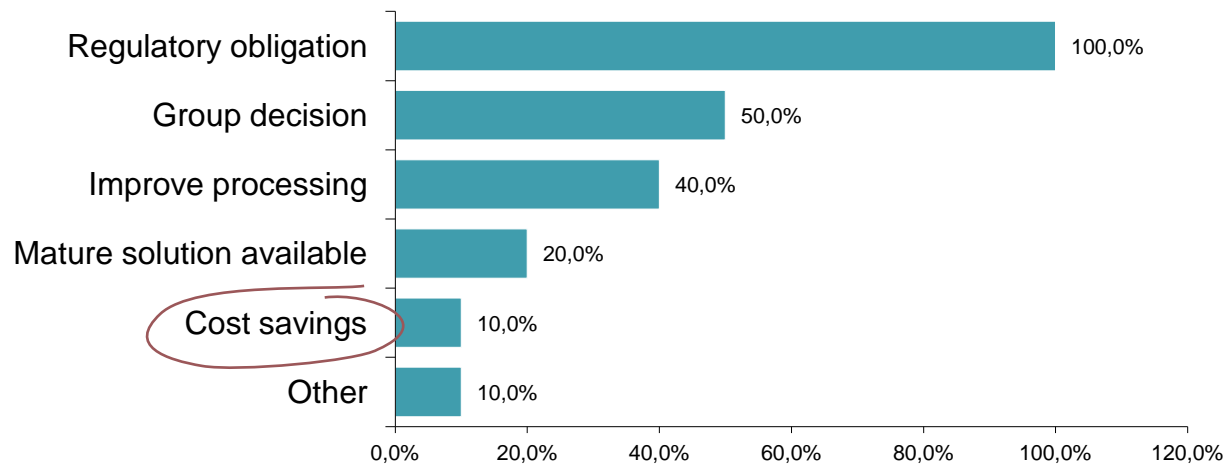
(multiple choice allowed)



- As long as there's no business need, XBRL will not be on the agenda.
- The legal obligations remain a main driver in the use of XBRL
- The CSSF does not produce XBRL reports and does not use XBRL for internal/external reporting

Reasons for using XBRL in the future ?

(multiple choice allowed)

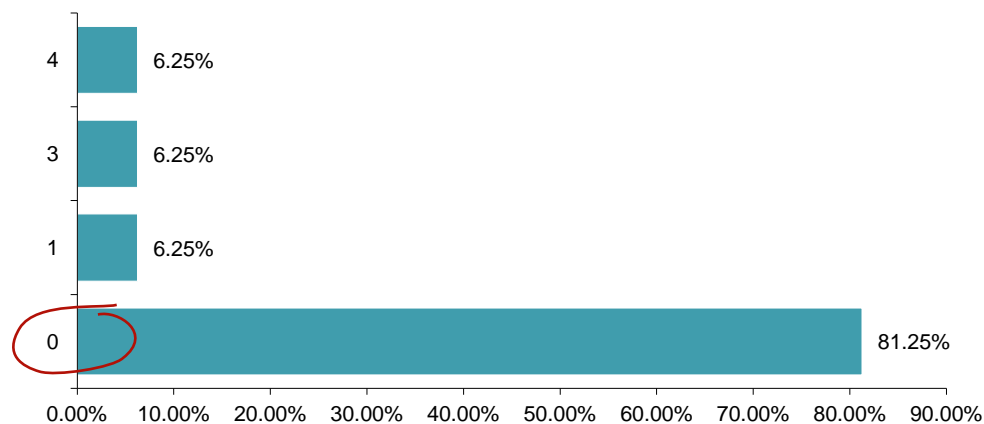


- The regulatory obligations remain a main condition to use XBRL. It can also be the driver for a decision of a group.
- Besides regulatory obligations, the main reason for using XBRL is the opportunity to improve processes. Could that be a way to show that XBRL is not “just another IT data format” ?
- XBRL is not seen as an investment that can bring cost saving.

Market players

Participant's knowledge on XBRL

Number of full time equivalent with XBRL knowledge



- Most of the participants do not have employees with specific XBRL knowledge.
- Even in a context where XBRL is required (legal reporting), companies are able to fulfill their XBRL requirements, without internal knowledge, through dedicated tools.

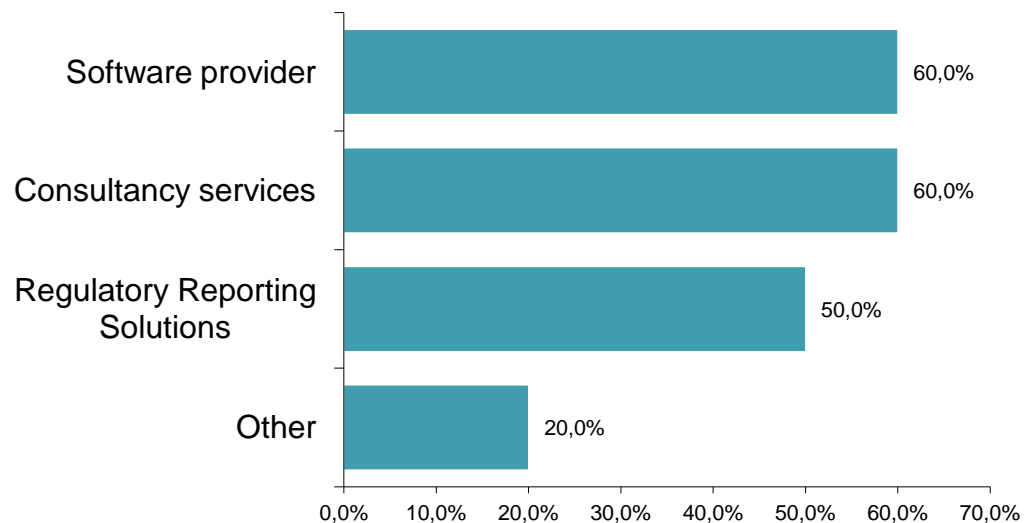


IT Players

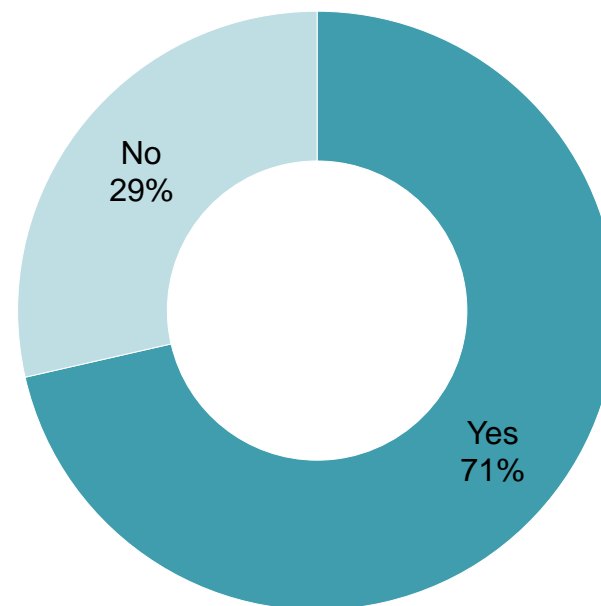
IT Players

Description of the IT Participants

Activities of the IT players
(multiple choice allowed)



Availability of an XBRL solution



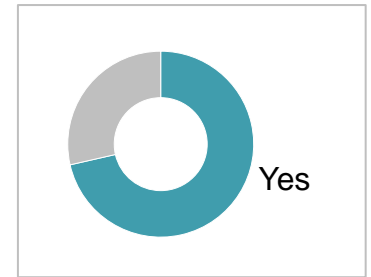
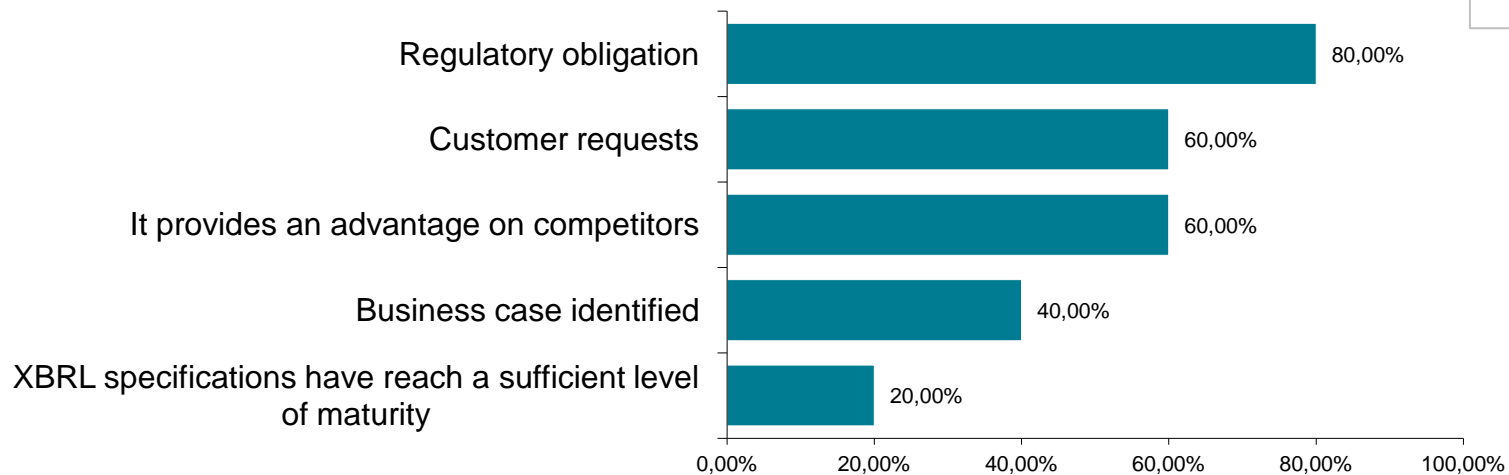
- The availability of an XBRL solution depends mainly on the business model of the IT firm.

IT Players

Reasons to provide an XBRL solution

Reasons for providing XBRL solutions

(multiple choice allowed)

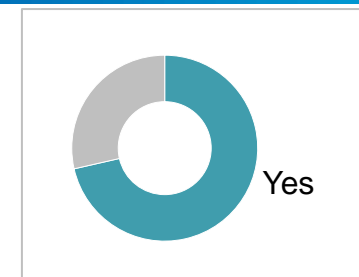
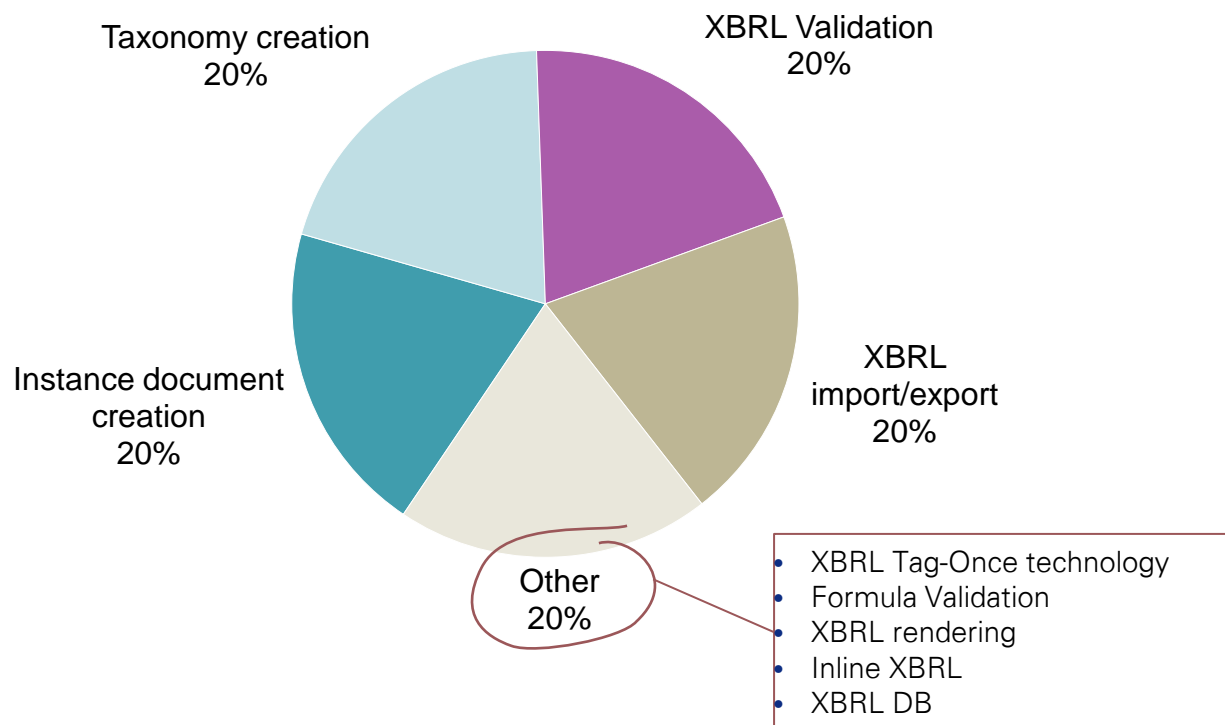


- The “customer request” and the “advantage on competitors” (for the IT player) are the main reasons to provide XBRL after the legal obligation. It shows the will and the capacity of IT players to offer XBRL technology whenever it is required.

IT Players

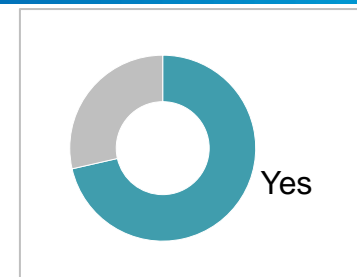
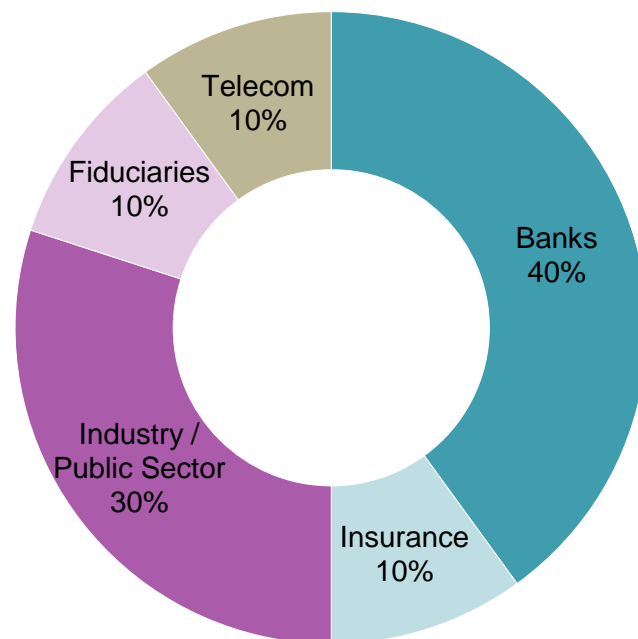
Functional coverage of XBRL solutions

Functionalities covered by the XBRL solutions



- A major IT provider is studying new functionalities like a "business analytics solutions to consume XBRL files", a "systemic risk analysis" and a "industry assessments and benchmark tools"

**Distribution of the users of the XBRL solutions
(according to IT players)**



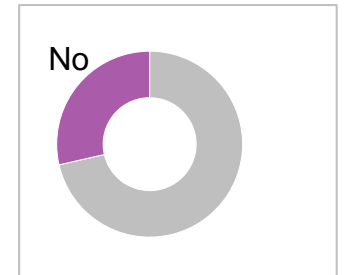
- With the same distribution as the market players, the result confirms the financial sector remains the key user of the XBRL technology.

IT Players

Reasons to not provide an XBRL solution

Main reasons expressed for NOT providing an XBRL solution

- It is not a product development priority
 - It is not a legal obligation
-
- The answer “No customer’s request” was never selected, showing that the main driver for providing XBRL remains the legal obligation.
 - The insufficient maturity of the XBRL technology was never chosen as a reason for not providing XBRL.

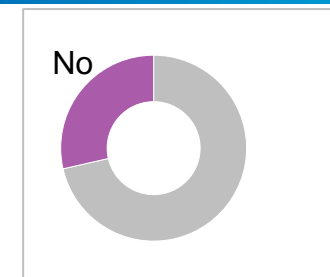
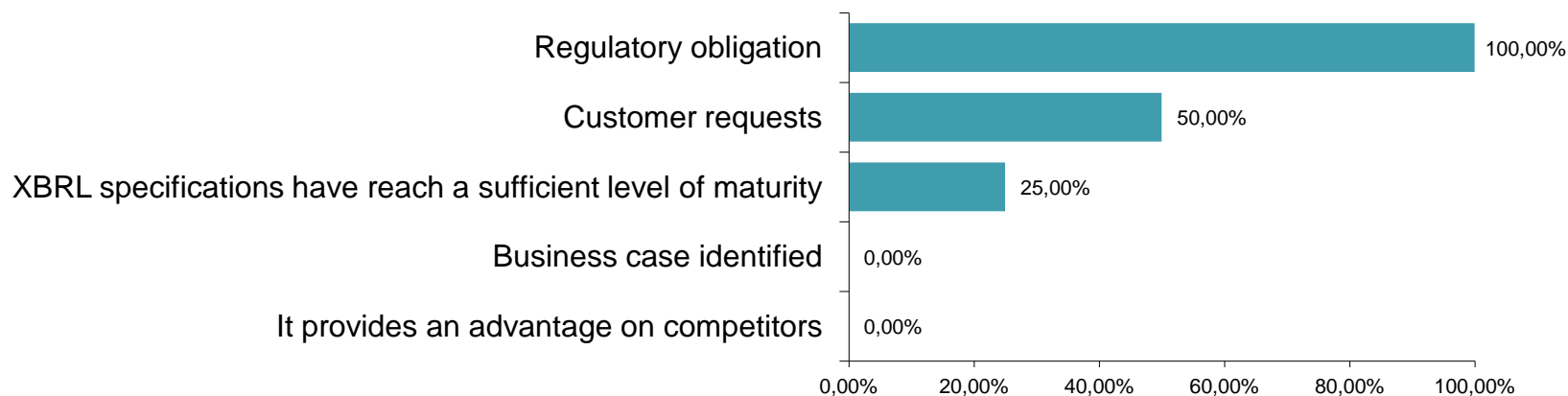


IT Players

Future considerations of XBRL

Potential reasons to provide an XBRL solution

(multiple choice allowed)



- Half of the participants without an XBRL solution would seriously consider the use of XBRL upon request of their customers.
- The XBRL is not seen as a technology that will bring an advantage on competitors.

“La Centrale des Bilans”

The project “La Centrale des Bilans”

- The project “La Centrale des Bilans” aims at centralising the collection of the accounting information in order to provide statistical reports and ratios on annuals balances.
- The project is driven by the INSEE (Statec) and relies on the CTIE for its IT implementation.
- The XBRL is naturally seen as the format to be used but the implementation faces some challenges:
 - The need of peoples with specific XBRL knowledge
 - A common agreement on the taxonomies for Standard Chart of Account (“PCN”), balances and P&L.
 - A go-live date of the first phase schedule for the 1st of January 2012.
 - The forthcoming governmental elections in 2014 pushing to finalize all project before that due date.
- This project is the first brick/step of the development of XBRL in Luxembourg. Other projects from the government are foreseen on the same platform such as eTVA , tax declaration or electronic billing.
 - The state ministry of the administrative simplification is recommending the use of XBRL.
 - Is the project “Centrale des Bilans” only the beginning ?



Conclusions of the survey for Market and IT participants

- The legal obligations remain the main reason for using XBRL.
- Most of the time, XBRL is only seen as an IT technology, only impacting the IT department.
- The tools on the market allow to use XBRL with a minimum of expertise.
- XBRL is still perceived as a constraint and not as an advantage.
- The use of XBRL is not expanding as it is only perceived as a regulatory obligation.
- XBRL will not be on the agenda and there will be no investment on it as long as it's not enforced by legal obligations.



Suggestions to promote XBRL

- Present and describe XBRL as a way to enhance business productivity and not as a project by itself.
- Work closely with the legislator to promote XBRL in governmental projects.
- Diversify XBRL by bringing it out of the regulatory report field.
- Cut through the complexity of the implementation of XBRL by proposing a project plan with a progressive roll-out in the information chain.
- Continue to create awareness amongst the business stakeholders.



Thank you

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