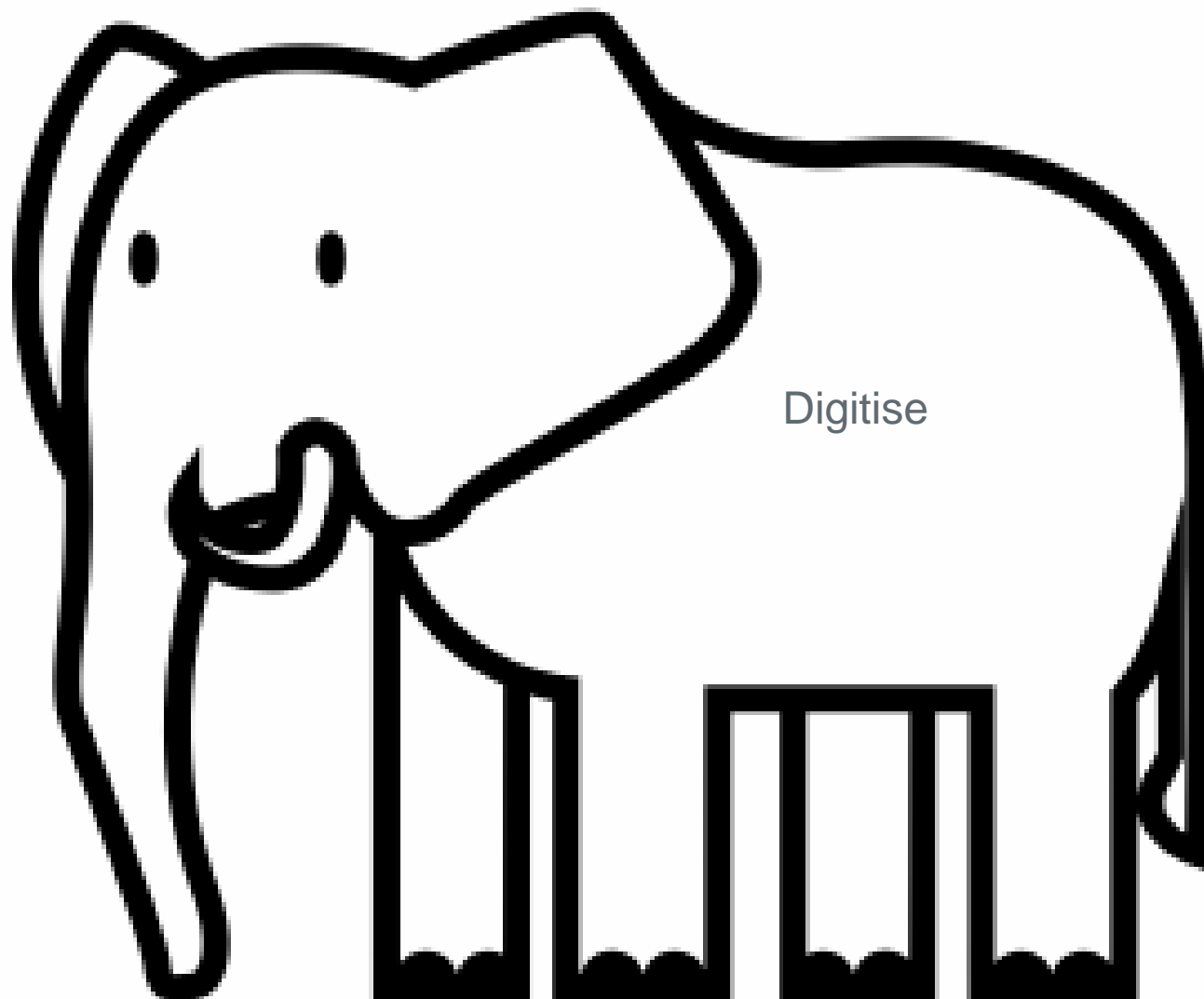


Implementing SBR

Lessons Learned

Stockholm – 7 November 2019

John Turner



Who?

A global not for profit standards development organisation that works across the public and private sectors to improve reporting.

How?

Specifications that allow formally provable interoperable exchange of data and definitions in machine readable form.

Why?

To improve the accountability and transparency of business performance globally.

What?

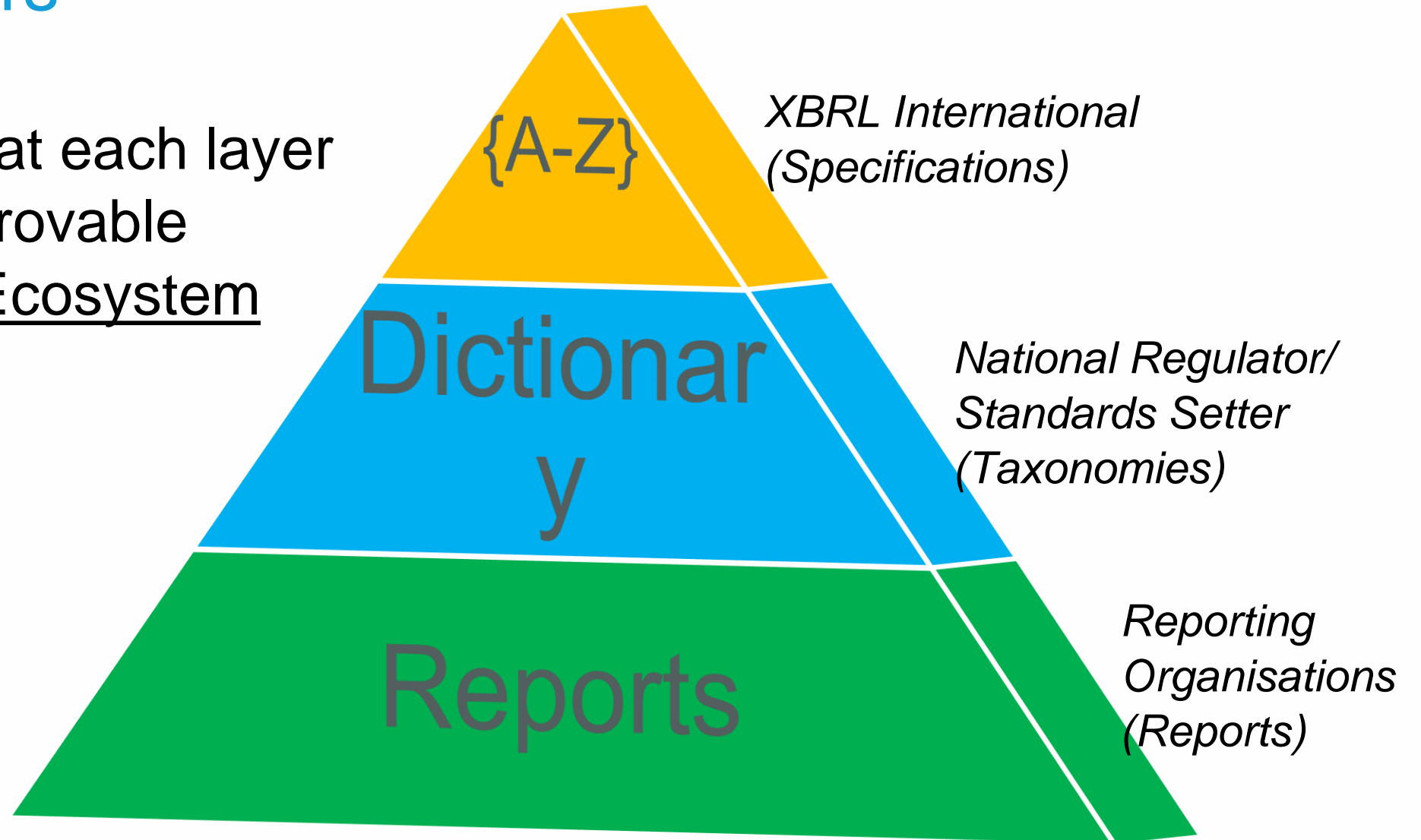
A global standard for the digitisation of business reporting, helping the world move from paper to data

Where?

Used by regulators, government agencies and increasingly enterprises right around the world.

Three Layers

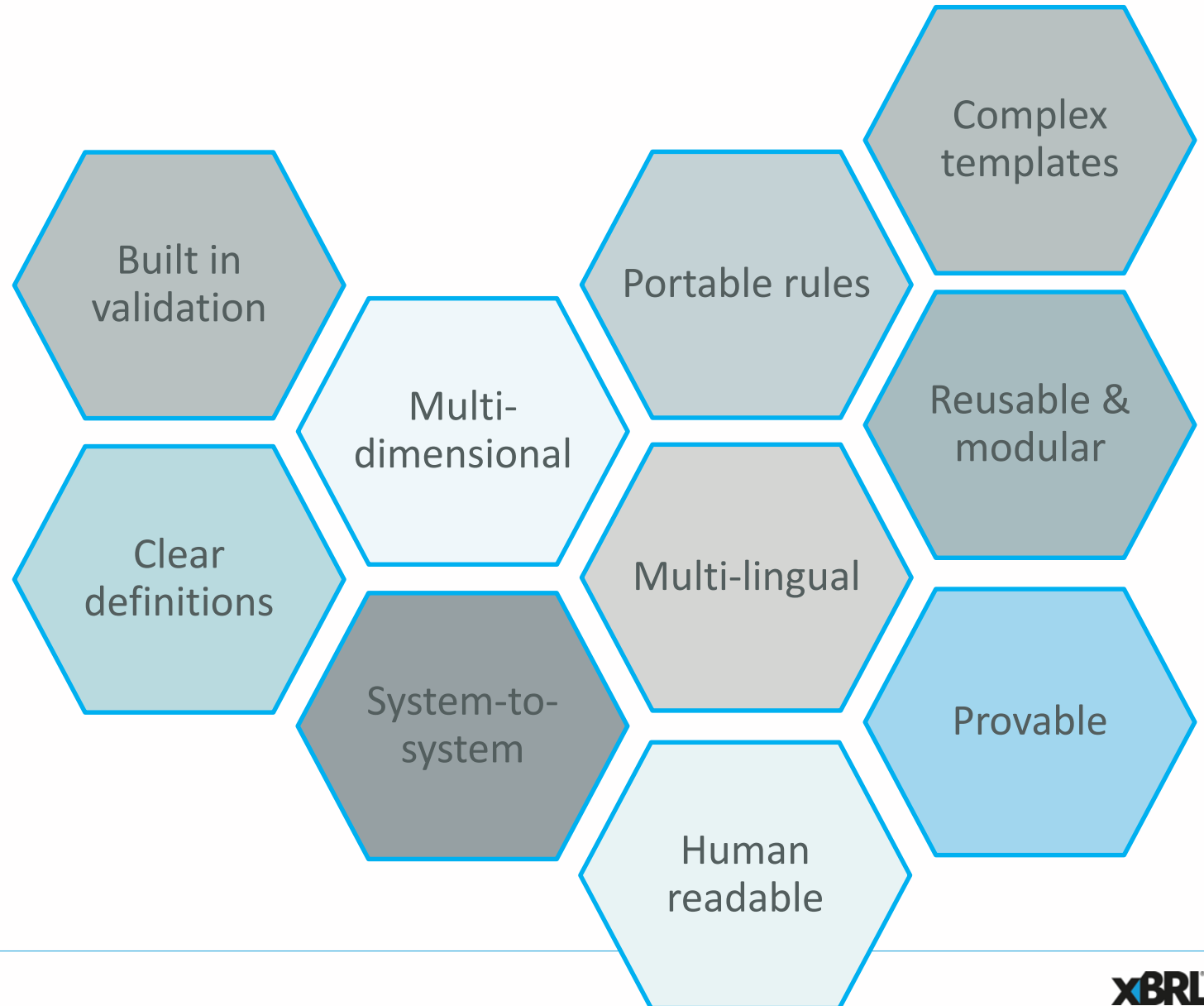
- Validation at each layer
- Formally provable
- Requires Ecosystem



Paper2Data: A Tool Box

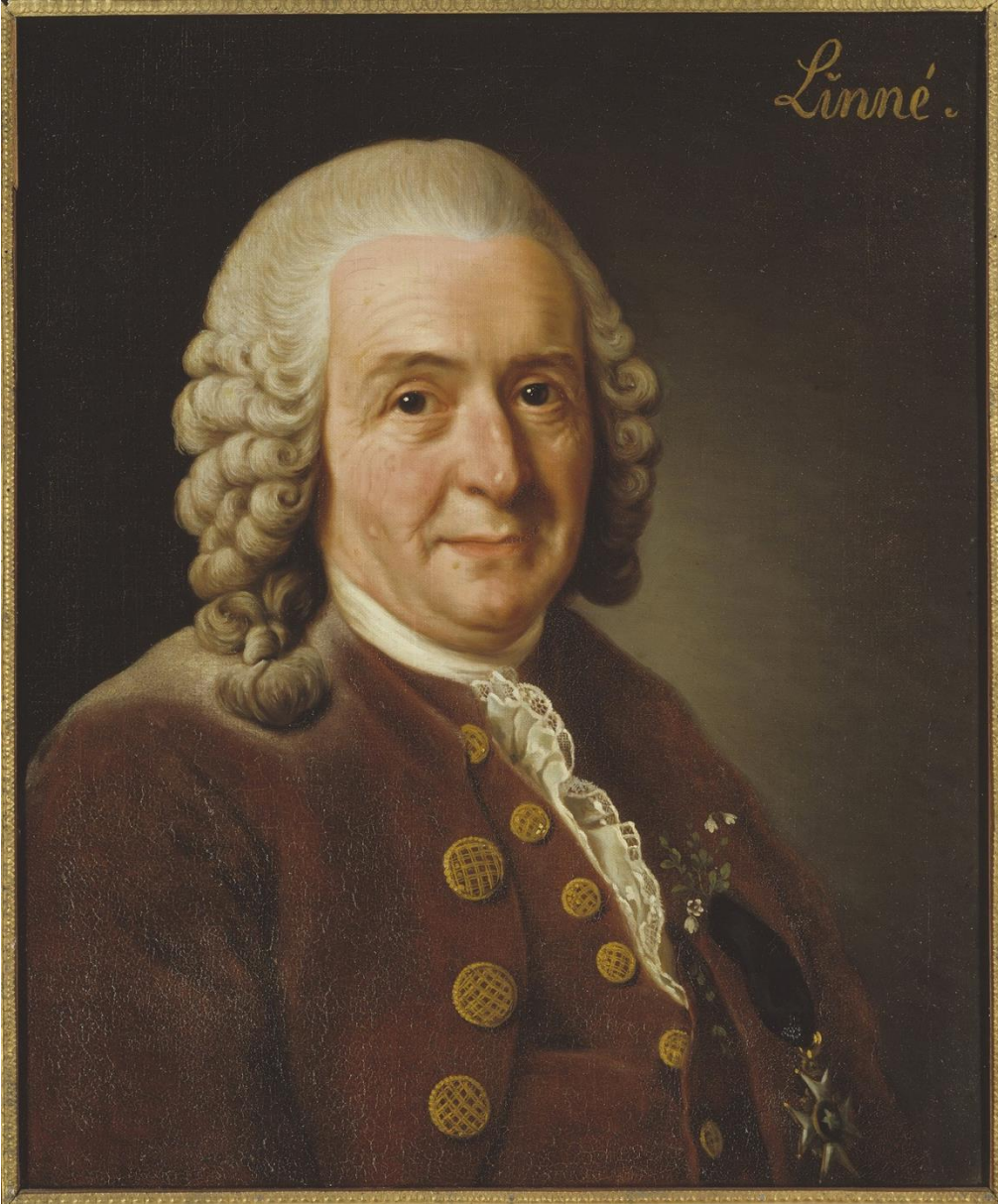
The XBRL standards provide a “tool box” of specifications that ensure the interoperable definition, creation, publication/filing, exchange and consumption of business reports.

Simply put, they help shift reporting from paper to data.



SBR





In SBR, **Metadata** is more important than **Data**



Business is just ... Business

The
ecosystem is
everything



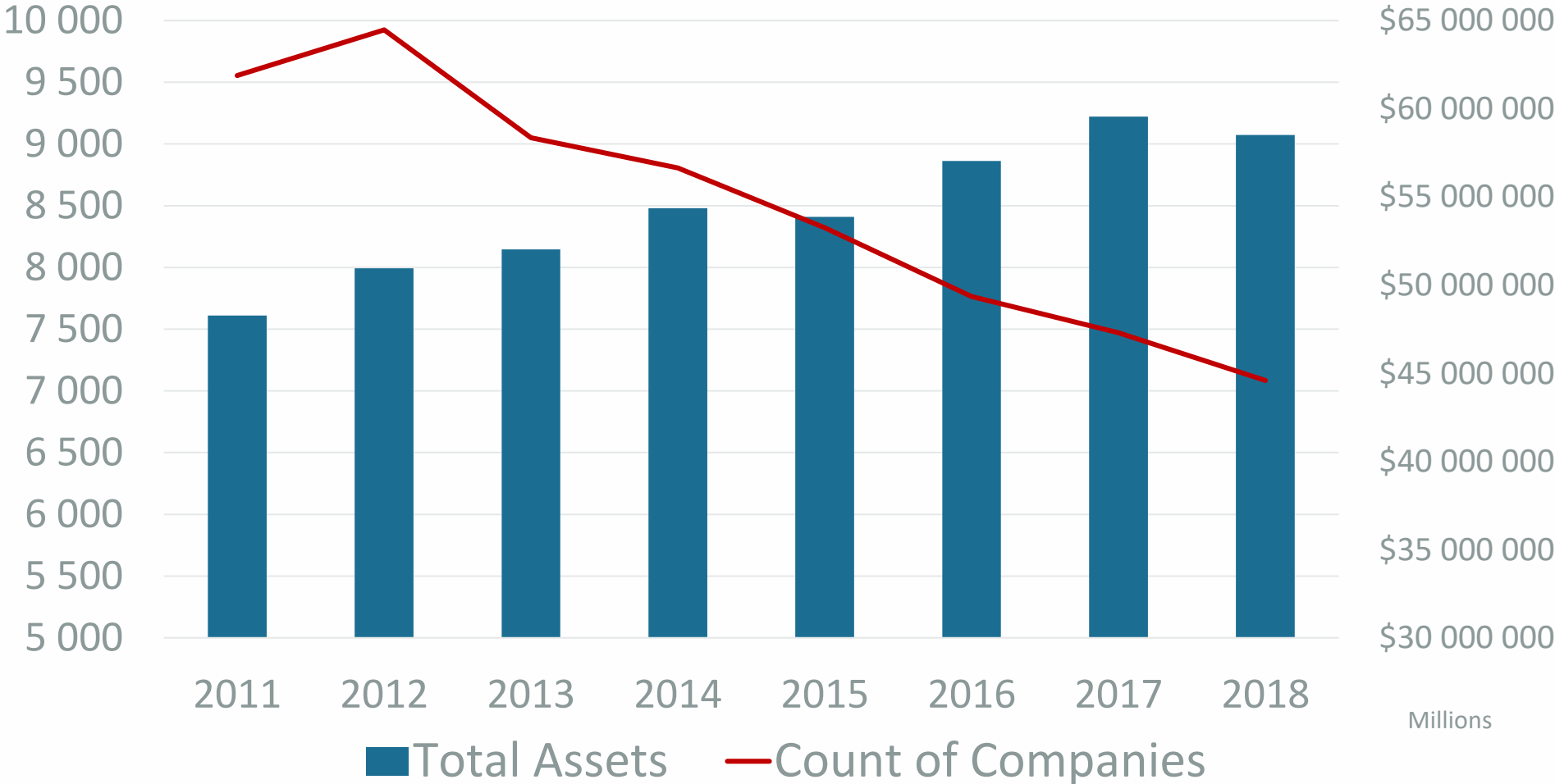
Build for
change –
payments
& granular
data



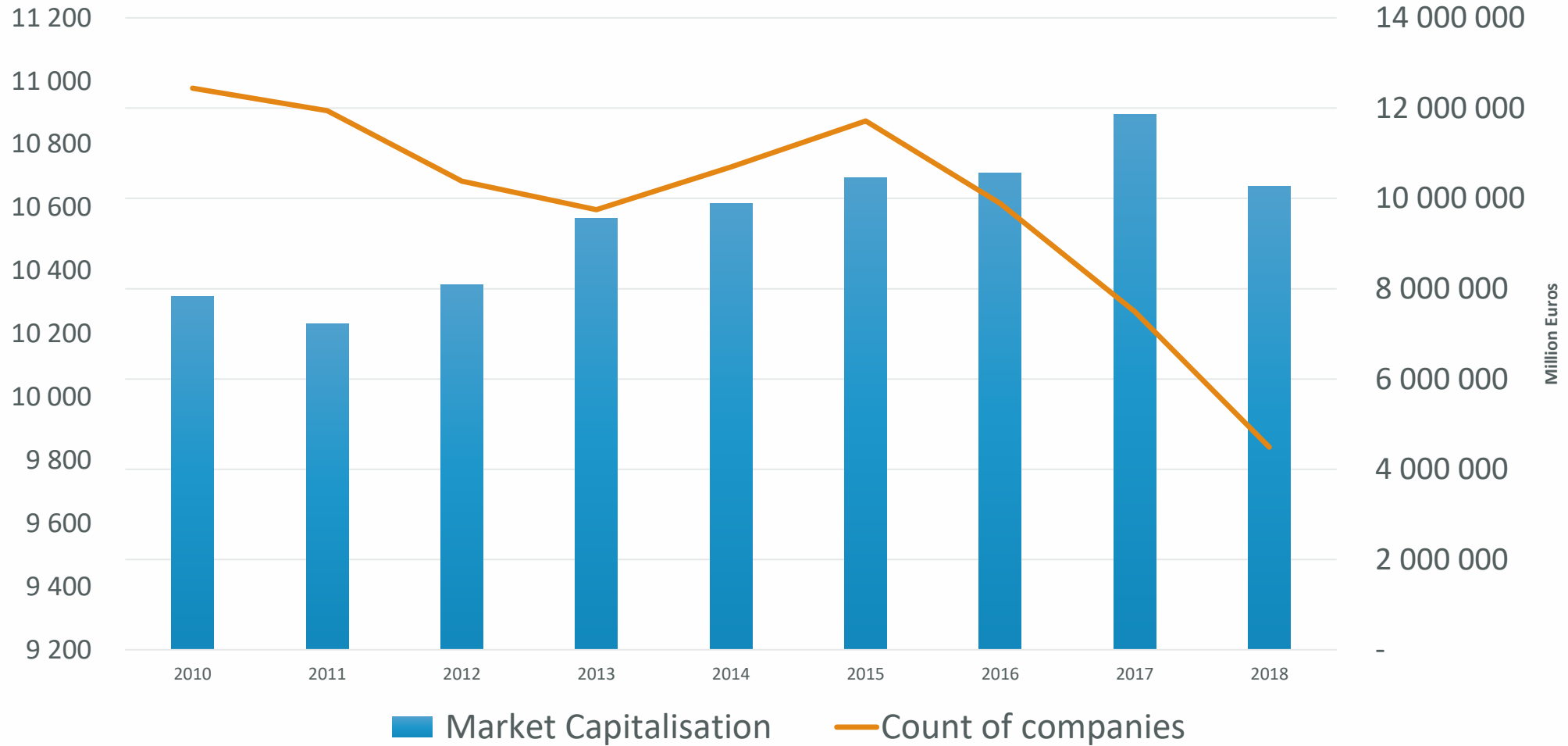
DISCLOSURE MATTERS

Public Markets becoming more exclusive...

Eg: US-GAAP Issuers



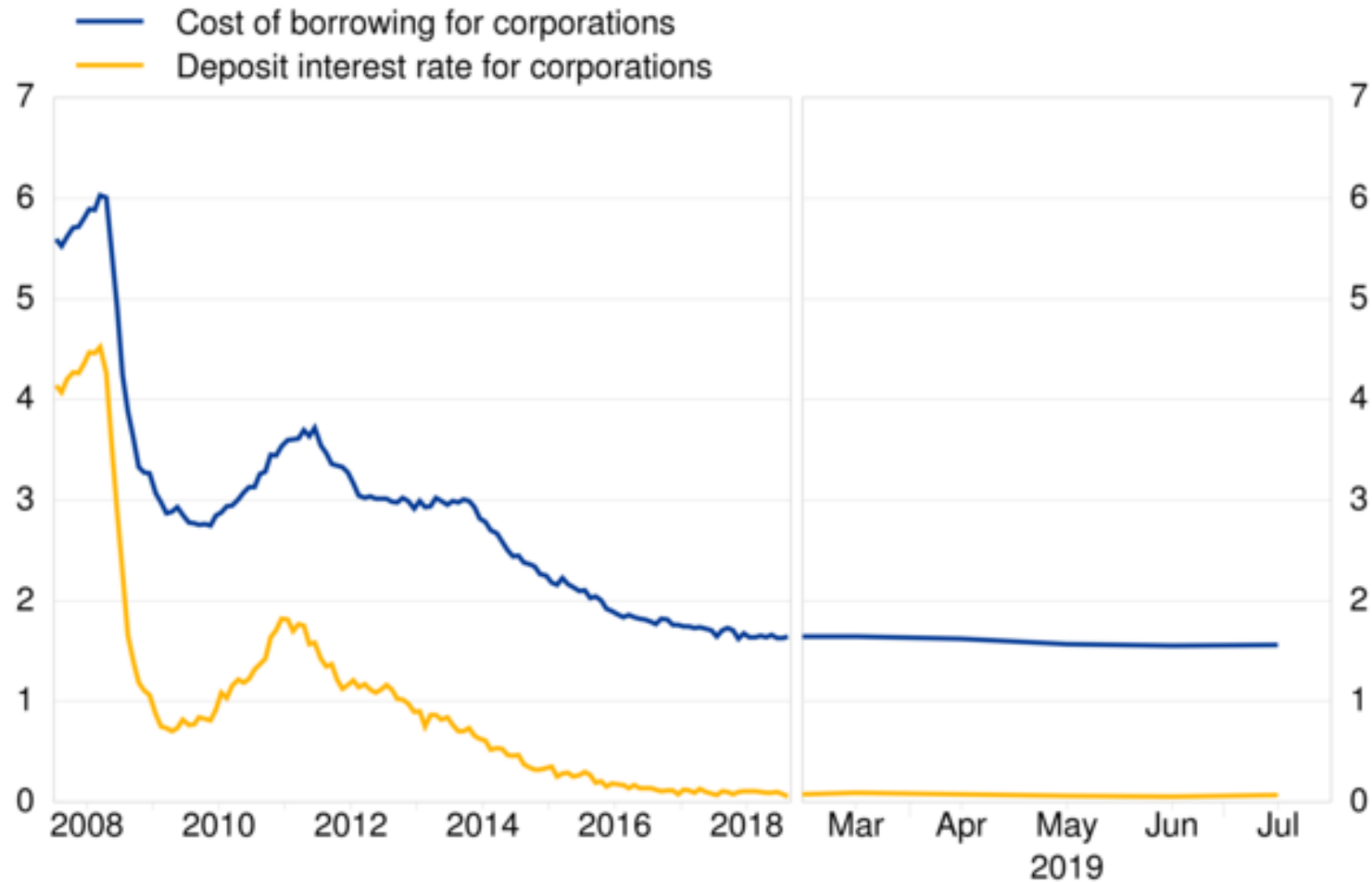
EU Listed Companies



Source: WFE

Cheap Debt!

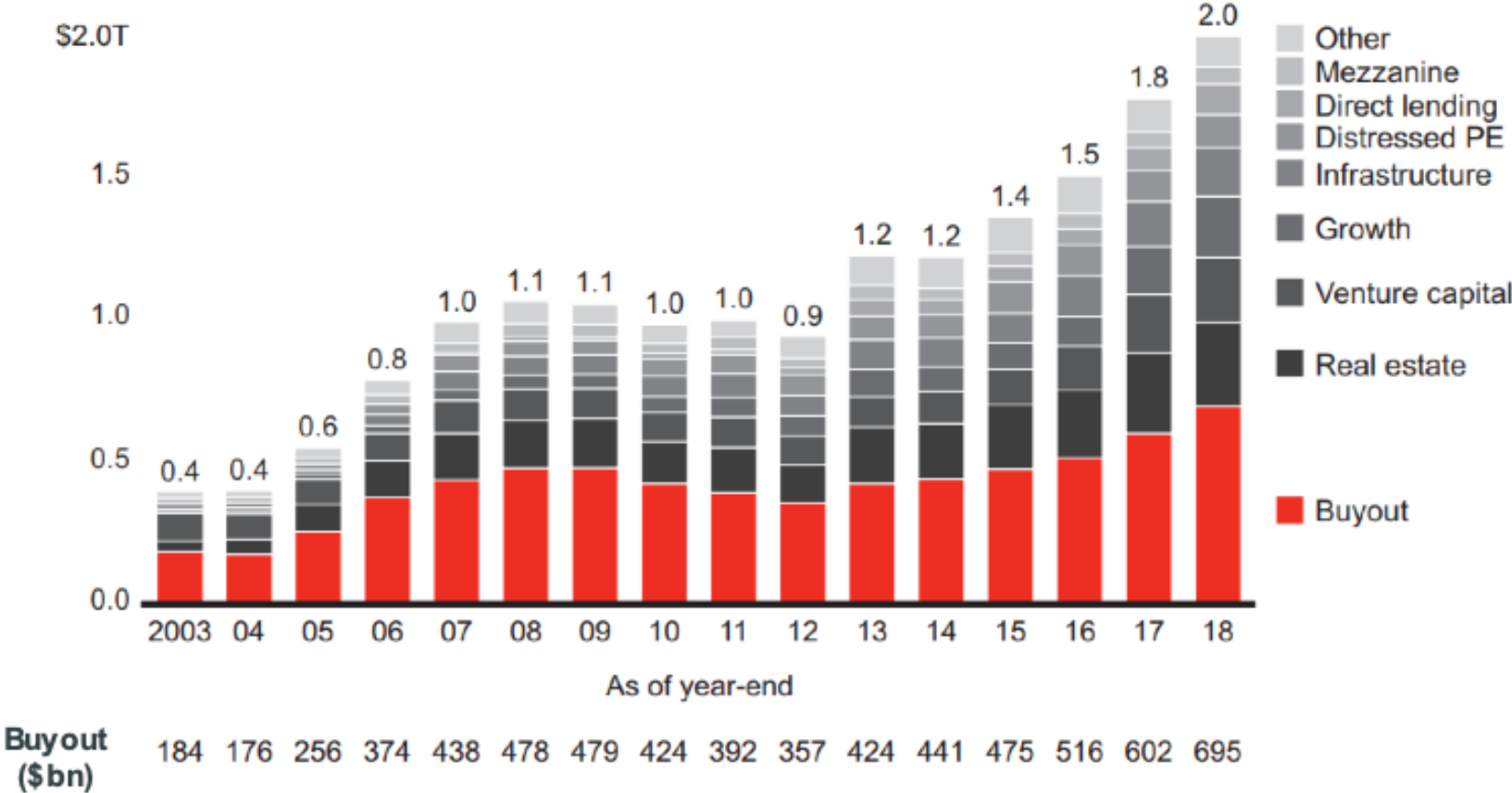
Source: [ECB](#)



Plentiful Private Capital

Dry powder continues to pile up globally, setting a new record in 2018

Global PE dry powder



Source: [Bain & Co](#)

Growth of passive investment and resultant crowding

Creeping up all over the world

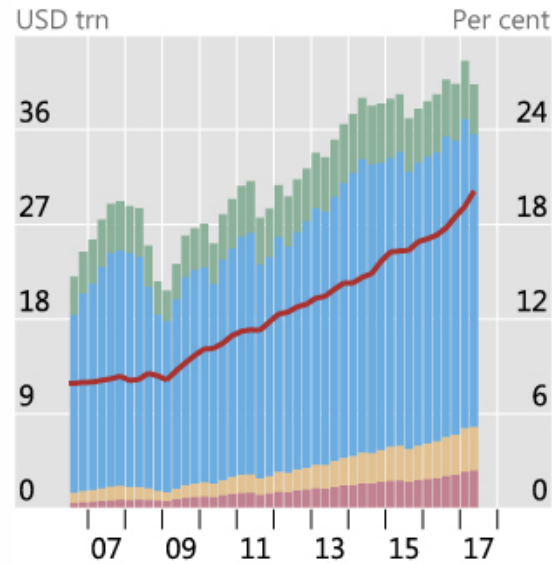
Passive funds' share of the fund management sector rises

Graph 1

Source: [BIS 2018](#)

See also: [Fed Boston 2018](#)

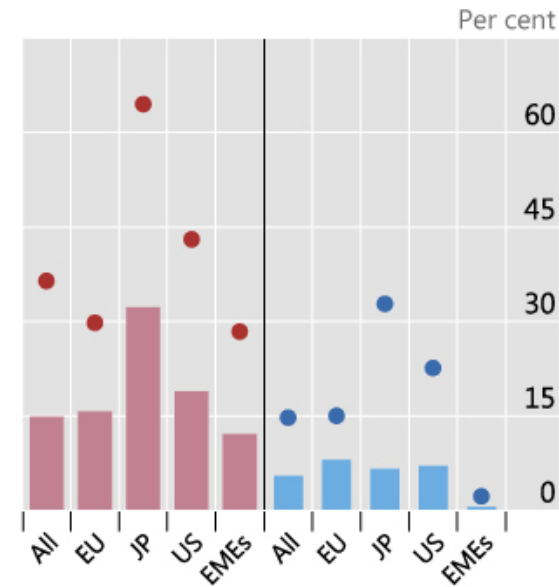
Global assets under management by fund type



Lhs:
 ■ ETF
 ■ Passive mutual fund
 ■ Active mutual fund
 ■ Other²

Passive share (rhs):
 — All assets

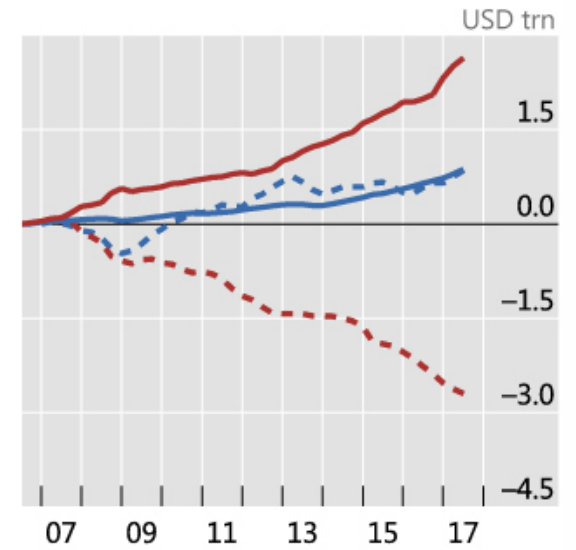
Passive funds' share of investment fund assets, by geographical focus¹



Equity:
 ■ 2007
 ● 2017

Bond:
 ■ 2007
 ● 2017

Cumulative fund flows



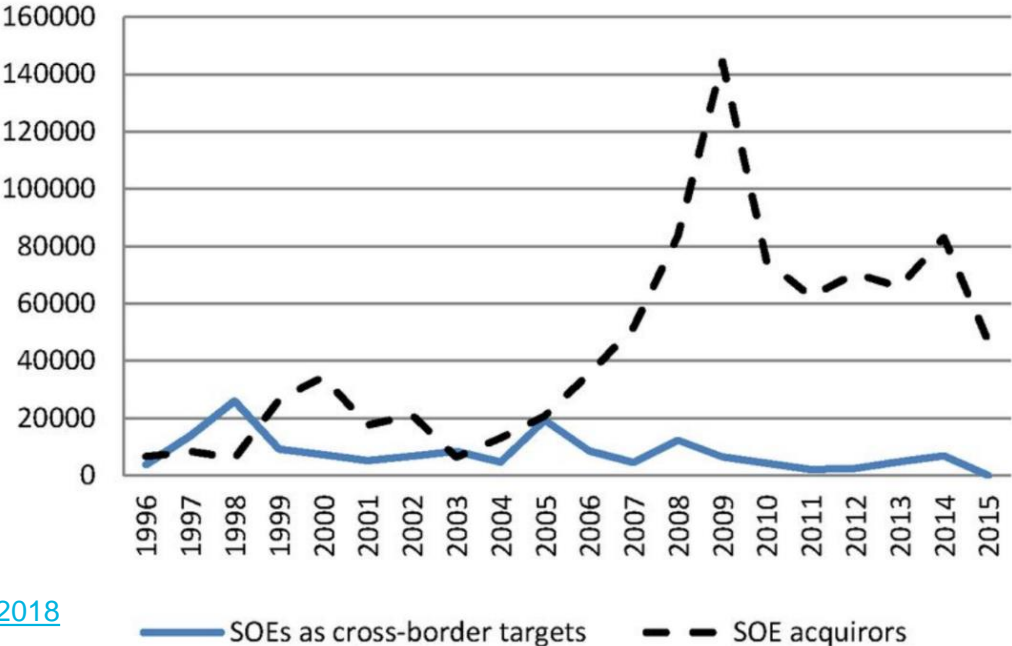
Equity:
 — Passive
 - - - Active

Bond:
 — Passive
 - - - Active

¹ As of end-June for each year. ² Includes investment fund assets of closed-end funds, hedge funds, insurance funds, investment trusts and pension funds.

Growth of State Owned Enterprises

Figure 2.1. SOEs as targets and acquirers of IM&A by deal value (USD million), 1996 - 2015



Source: [OECD 2018](#)

Figure 1. The GDP of the UK, France, and Germany compared to total sales of SOEs among top 2,000 global firms in 2011.

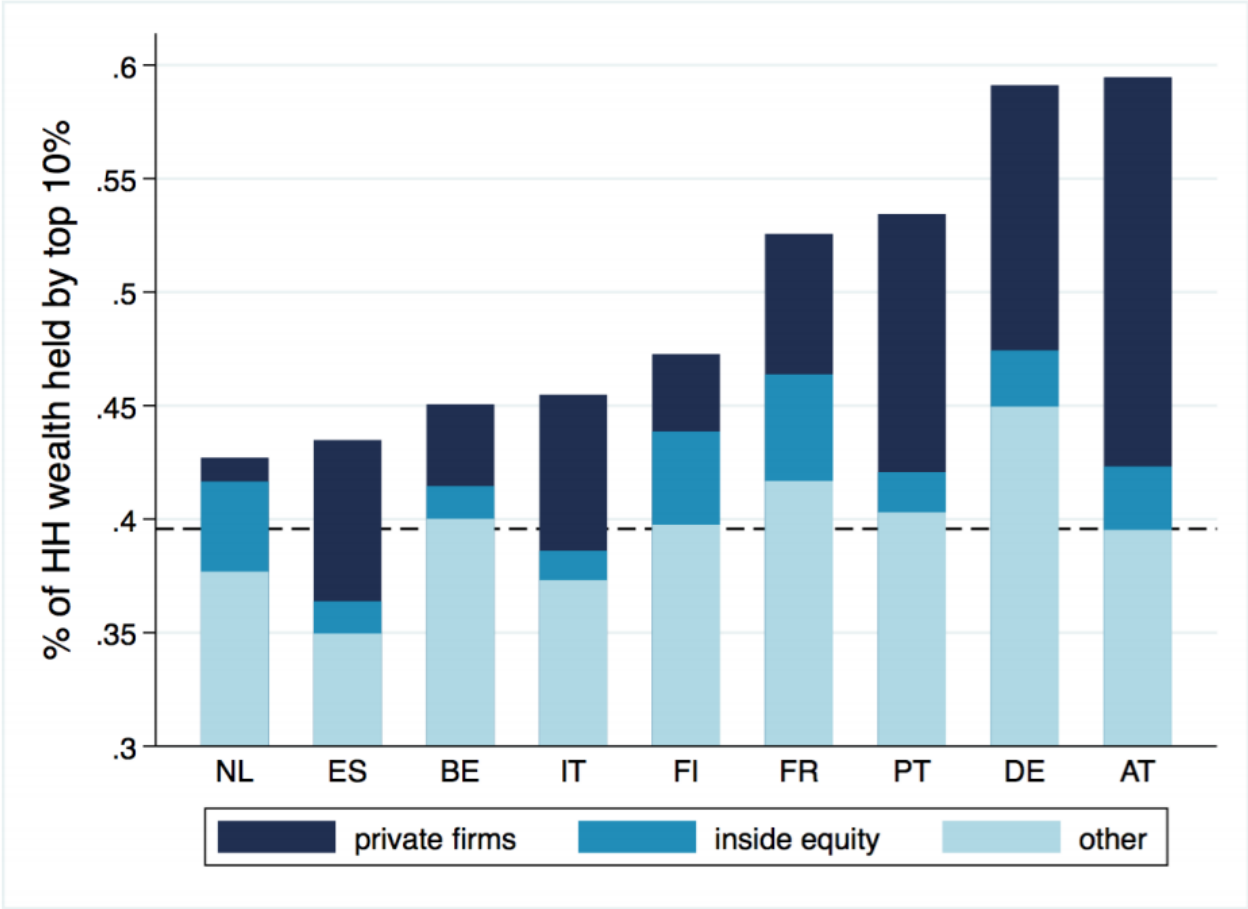


Source: Authors calculations based on Forbes Global 2000 and WDI.

Source: [WEF 2013](#)

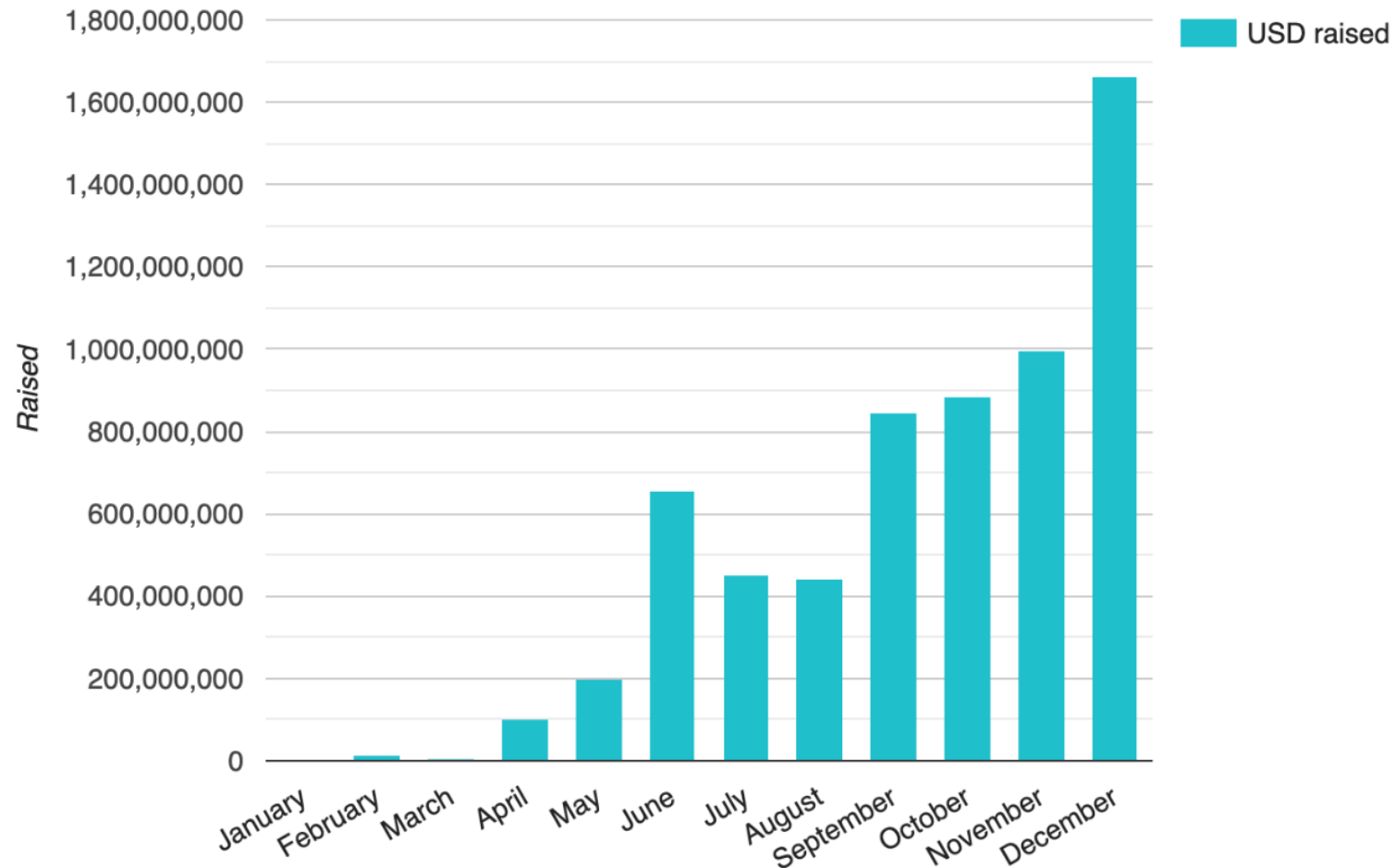
But public markets are a public good...

Figure 2: The contribution of closely held firms to differences in wealth inequality.



Source: [JMP Peter, Stanford](#)

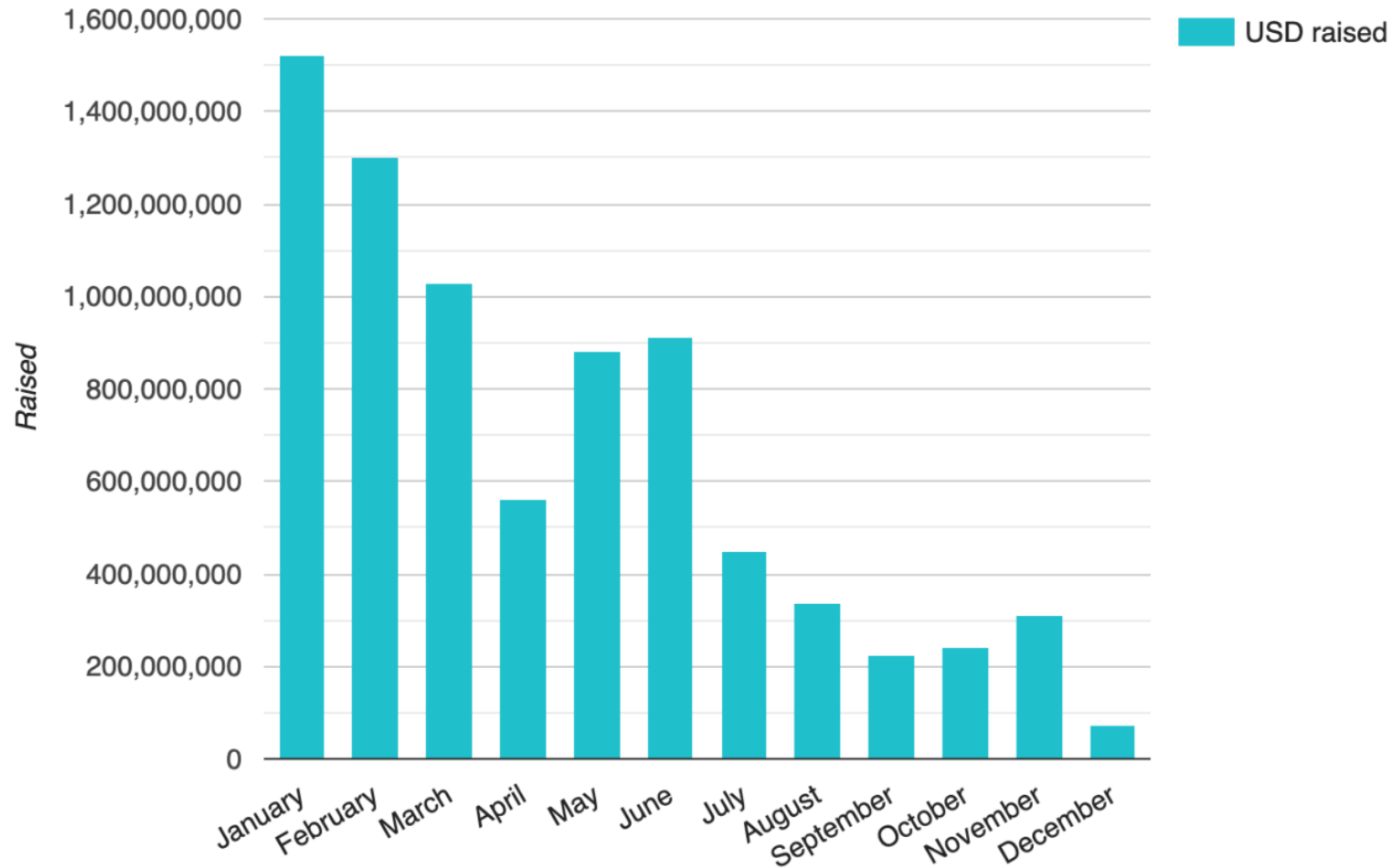
People are looking for “public” capital in new ways...



2017 ICO Funds Raised....

Source: <https://www.icodata.io/stats/2017>

Although the right mechanism hasn't yet been found.



2018 ICO Funds Raised....

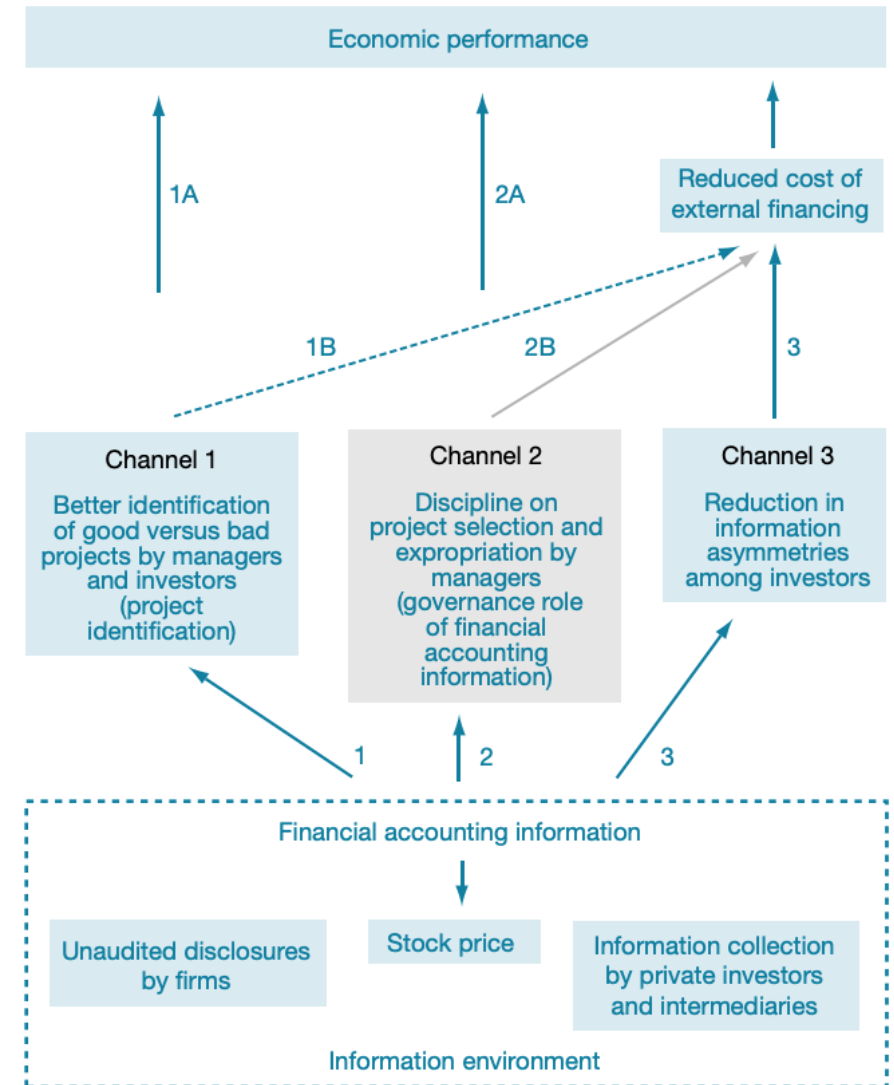
Source: <https://www.icodata.io/stats/2018>

Transparency... works

The *method* of transmission of capital might be altering... but disclosure and financial transparency is a key factor in efficient capital allocation.

Transparency is the foundation of trust.

Three Channels through Which Financial Accounting Information Affects Economic Performance

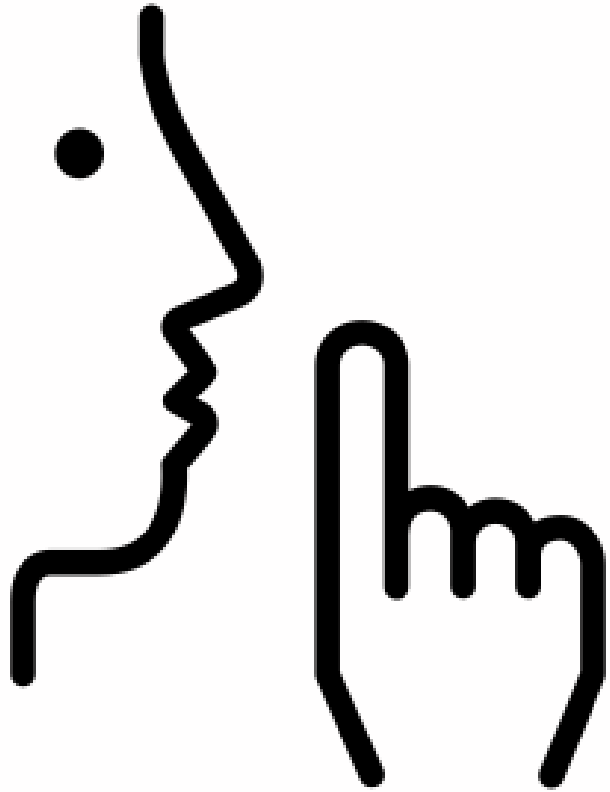


Source: [NY Fed](#)

Proposition: Transparency Matters

Access to reliable, comparable – and digital – fundamental information about companies drives better decisions, better access to capital and greater trust in both commerce and finance.

DISCOVERY MATTERS



Shhhhhhhh ... Hot Tip!



2. SKRÓCONE ŚRÓDROCZNE SPRAWOZDANIE Z CAŁKOWITYCH DOCHODÓW MIRACULUM S. A.
 Skrócone śródroczne sprawozdanie z całkowitych dochodów za okres od 1 stycznia 2019 roku do 30 czerwca 2019 roku, oraz za okres od 1 stycznia 2018 roku do 30 czerwca 2018 roku (w złotych)

| | 01.01.2019 30.06.2019 | 01.01.2018 30.06.2018 | 01.01.2019 30.06.2019 | 01.01.2018 30.06.2018 |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Działalność kontynuowana | | | | |
| Przychody ze sprzedaży | 11 | 10 960 264,82 | 5 493 669,95 | 11 775 177,19 |
| Koszt własny sprzedaży | 11 | (5 937 456,98) | (3 650 338,06) | (7 532 247,80) |
| Zysk (strata) brutto ze sprzedaży | | 3 022 807,84 | 1 843 331,89 | 4 242 929,39 |
| Koszty sprzedaży | 12.1 | (4 418 027,77) | (875 707,36) | (4 293 735,13) |
| Koszty ogólnego zarobku | 12.2 | (1 729 498,26) | 188 046,06 | (1 541 452,20) |
| Przebiegłe przychody operacyjne | 12.2 | 228 811,40 | (190 404,26) | (3 160 225,04) |
| Przebiegłe koszty operacyjne | 12.4 | (222 849,96) | (1 267 664,80) | (1 060 528,32) |
| Zysk (strata) z działalności operacyjnej | | (2 499 966,77) | (1 267 664,80) | (1 617 949,41) |
| Przychody - koszty finansowe | 13 | (128 388,46) | 20 288,88 | (57 421,06) |
| Zysk (strata) brutto | | (2 628 355,23) | (1 247 375,92) | (1 675 370,47) |
| Przebiegłe dochody | | 32 500,000 | 25 800,000 | (32 239,47) |
| Zysk (strata) netto za okres | | (2 595 855,23) | (1 221 575,92) | (1 707 609,94) |
| Łączna kwota | | | | |
| Działalność w okresie sprawozdawczym | 14 | (2 595,86) | (1 221,58) | (1 707,61) |
| Zysk (strata) w okresie sprawozdawczym | | (2 595,86) | (1 221,58) | (1 707,61) |
| - porównany z zyskiem (stratą) za okres | | | | |
| - porównany z zyskiem (stratą) na działalności kontynuowanej | 14 | (2 595,86) | (1 221,58) | (1 707,61) |
| - porównany z zyskiem (stratą) ogólnego na okres | | | | |

5 | MIRACULUM | Raport za I półrocze 2019

Should be easy to find.... Off the Warsaw Exchange Website.

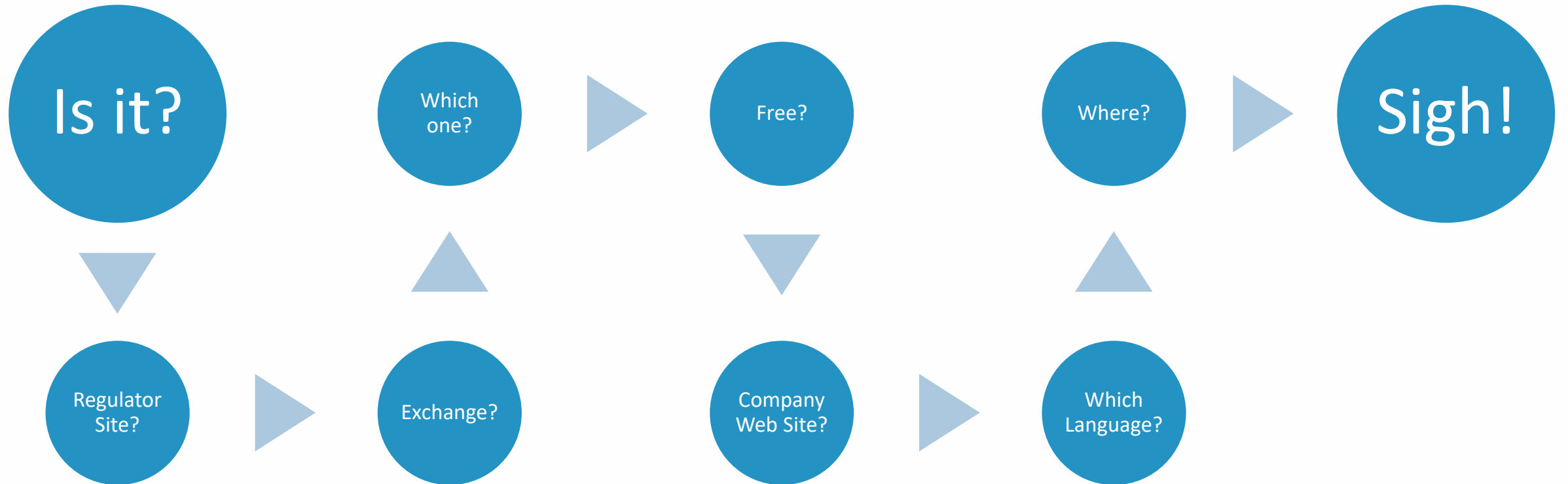
In... PDF

In... Polish

(This is an example! Not investment advice.)

Where's that Disclosure?

Public Company Data in the EU is hard to find... and private company data is worse!



Build trust, build transparency and enhance access...

Requires at least...

Location

Identity

Non-Repudiation

Report Type

Report Period

Language

Accounting
Standards

ESEF?

Key Data



Proposition: Discovery Matters

The ability to easily access disclosures regardless of location or circumstance is a key pillar for transparency in the digital age, facilitating trust and connections for investors, lenders, suppliers and customers.

Discovery through an
ESEF lens.....

Good News! ESEF includes meaning and context

IFRS concepts translated into 23 languages

Global Legal Entity Identifier Foundation [CH] | https://www.gleif.org/assets/components/xbrl-vie... ☆

Inline Viewer GLEIF Annual Report 2018 Display Options ▼

Statement of Comprehensive Income for the Period from January 1 to December 31, 2018

| | Notes | Jan. to Dec. 2018 | Jan. to Dec. 2017 |
|---|---------|-------------------|-------------------|
| | | US\$ | US\$ |
| Fee revenue | 3.1 | 17,555,899 | 7,786,002 |
| Wages and salaries | | -4,288,884 | -3,404,031 |
| Social contributions and expenses for pensions and care | | -618,341 | -456,337 |
| Personnel expenses | 3.2 | -4,907,225 | -3,860,368 |
| Other operating expenses | 3.3 | -4,779,514 | -4,058,493 |
| Other operating income | 3.4 | 772,018 | 539,527 |
| Amortization and depreciation expense | 4.5/4.6 | -344,735 | -214,955 |

Fact Properties < >

Concept

- (ifrs) Löhne und Gehälter

Eine Kategorie der Aufwendungen für Leistungen an Arbeitnehmer, die für Löhne und Gehälter steht. [Siehe: Aufwendungen für Leistungen an Arbeitnehmer]

Dimensions

Date 31 Dec 2018 [↗](#)

Fact Value US \$ 4,288,884

Accuracy 0 (ones)

Change 26.0% increase on 31 Dec 2017

Entity [LEI] 506700GE1G29325QX363

Concept ifrs:WagesAndSalaries

< 1 of 1 >

▼ Search

Highlight

- Bulgarian
- Czech
- Danish
- ✓ German
- Modern Greek (1453-)
- English
- English (US)
- Spanish
- Estonian
- Finnish

ESEF with digital LEIs add enhanced trust & identity

Highly designed Inline XBRL with LEI Digital Signature

The screenshot shows a web browser window with the address bar displaying "Global Legal Entity Identifier | https://www.gleif.org/asset...". The main content area is titled "Inline Viewer" and features a document with the "Global Legal Entity Identifier Foundation" logo and text. A sidebar on the right displays three digital signature verification details:

- Document signature**
Signed by: Wolf Stephan, CEO
Global Legal Entity Identifier Foundation
FRANKFURT/GERMANY, DE
LEI: [506700GE1G29325QX363](#)
Serial number: 656DF792B7D712F5
Certificate issued by: AC Firmaprofesional - CUALIFICADOS, Firmaprofesional S.A. ES
- Document signature**
Signed by: Gerardus Bartholomeus Jozephus Hartsink, Chairman
Global Legal Entity Identifier Foundation
BASEL/SWITZERLAND, NL
LEI: [506700GE1G29325QX363](#)
Serial number: 2DBB41F82EC7BCAB
Certificate issued by: AC Firmaprofesional - CUALIFICADOS, Firmaprofesional S.A. ES
- Document signature**
Signed by: Daniel Rohrer (Qualified Signature)
Ernst & Young AG
Basel, Basel-Stadt, CH
Serial number: 2AE453C6781687A52236560E56CA07BA889497AE
Certificate issued by: QuoVadis Swiss Regulated CA G1, QuoVadis Trustlink Schweiz AG CH

Web pages that look and feel like a glossy PDF.

Digital Signature linked to LE for permanent certainty about integrity of document.

Source: [GLIEF Report](#)

We need a virtual market square for public disclosure

Not in the index? It doesn't exist!

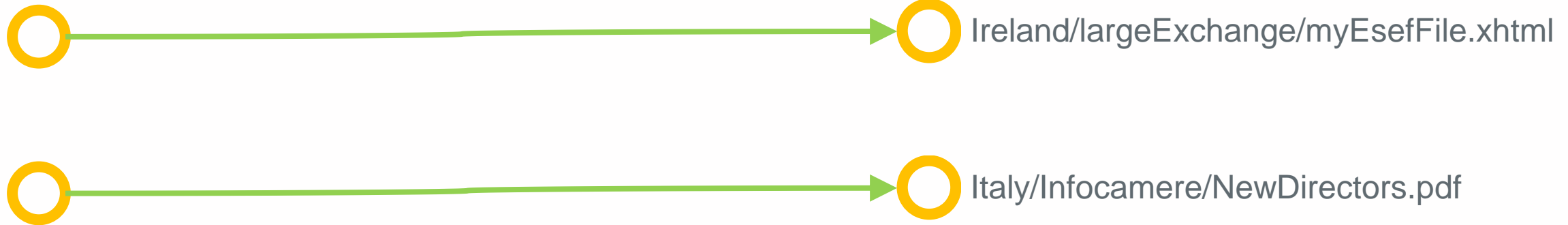


- An index of corporate disclosures that directs users to the authoritative location.
- A one stop discovery shop
- Access as much or as little data as needed directly
- Provide a level playing field for VARs

An index?

Just links...

Link from an index entry to the authoritative location of the disclosure...



The index needs to be singular, but can be distributed or federated.

Not in the index? It doesn't exist!

How to add my report into the index?

- **Regulators/OAMs/Exchanges:** Gatekeepers for adding certain market-moving disclosures *to the index*
- **Business Registrars:** Adding "backlinks" (*ie: index entries*) to private company disclosures to facilitate discovery, especially cross-border discovery should become automatic
- **Companies:** Certain corporate disclosures are voluntary and more in the nature of Investor Relations – these too should be *added to the index* (with a digital signature)

Data without exploration

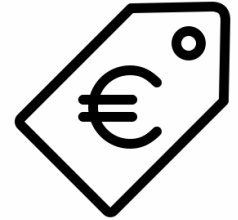
“Data is the New Oil” so goes the saying...



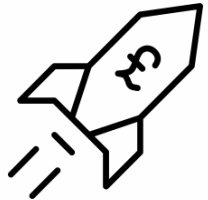
- “The New Oil” is a marketing term that gets us ready to spend money on exploration, extraction, cleaning and processing.
- Let’s work to make data in the index as useful as possible from the beginning.

So what's the catch?

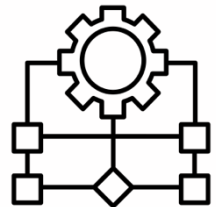
Or catches!



Cost: The business model of some data repositories is not to give data away



Speed: Simultaneous access to data is key to fair markets in the age of HFT



Governance: How can "The Index" be managed, and supported, long term?

Q&A

- On Brief:

- Agreement is hard
 - Learning each other's nomenclature is complex, expensive and vital
- Metadata > Data
 - Data management is less important to burden than Metadata management
- Be constrained by business
 - Your data requirements can very rarely impact business operation
- Ecosystem, Ecosystem, Ecosystem
 - Only by focussing on the entire supply chain can you reach public/private benefits
- Change is coming
 - Tough decisions. Experiment hard.

Off Brief:

- Disclosures builds trust
- Disclosure needs discovery

Our **purpose** is to improve the accountability and transparency of business performance globally, by providing the open data exchange standard for business reporting.

Our standards are freely licensed. We operate in the public interest as a not-for-profit standards development organisation.



Join Us!

<https://www.xbrl.org>

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