



EBOOK | UNDERSTANDING INLINE XBRL

# Understanding Inline XBRL

What the SEC iXBRL mandate means to you

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In June 2018, the Securities and Exchange Commission voted in favor of adopting the Inline eXtensible Business Reporting Language (iXBRL) format for filings. The final rule requirements will be phased in over three years, starting with large accelerated filers.

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Mandating the use of iXBRL is intended to improve the quality and accessibility of data submitted by public companies and mutual funds.

In addition to requiring information to be submitted in iXBRL, the new rule will eliminate the requirement that filers post XBRL data to their websites.

The SEC has listed several potential benefits from this change, including:

1. iXBRL allows filers to embed XBRL data directly into their filings instead of including them as attachments, reducing the likelihood of inconsistencies.
2. iXBRL will give the preparer full control over the presentation of XBRL disclosures within the HTML filing.
3. Tools such as the open-source Inline XBRL Viewer on SEC.gov can be used to review the XBRL data more efficiently.

Although the SEC has been collecting XBRL data since 2009, the SEC has not used that data as often as it might, in part because of known quality issues with XBRL corporate filings. The perceived lack of use has frustrated issuers, regulators and some members of U.S. Congress alike.

The goal of mandating financial statement submissions in iXBRL is that data provided by public companies will be of a higher quality and therefore much more widely used by regulators, investors and analysts.

## So, what is iXBRL?

Inline XBRL — or iXBRL — is an international standard that merges machine-readable business reporting data into a human-readable HTML page.

## Solving the HTML/XBRL dilemma

HTML and XBRL are both offshoots of XML-based standards, but each has limitations that iXBRL aims to address.

- HTML allows users to render data into any internet browser, but it's not readily machine-readable without human intervention to read, copy and paste or retype the information into any system.
- XBRL, which is machine-readable, allows automatic data exchange, validation and analysis, but is not human-readable.
- Inline XBRL is yet another offshoot of XML, but is capable of reconciling HTML and XBRL data standards. Therefore, iXBRL makes traditional XBRL information readable from any web browser, just like an HTML document. Inline XBRL is managed by XBRL International, which is following the global Inline XBRL technical standards and specifications.

The technical specifications of the iXBRL standard are complicated. To simplify, users can think of iXBRL as a system that will allow the transition of financial reporting from documents to a data stream — and back again. While iXBRL is machine-readable, the HTML format and iXBRL viewers make it easier to review how the XBRL has been tagged inline with the source content.

## Makes the technical less “techy”

With iXBRL, highly structured streams of content can be viewed through a web browser and recreated as descriptive narratives that anyone can read and digest.

The SEC’s Inline Viewer enables users to view information about the reported XBRL data contained in embedded tags on the Commission’s website, using any standard internet browser, without accessing a separate document. This makes iXBRL submissions much easier to read and understand.

What’s more, the SEC has regularly said that iXBRL has the potential to provide benefits for companies and for those using the information provided in iXBRL.

### Among these benefits:



Lower filing preparation costs.



Higher quality data.



More structured data.

By improving data quality, the SEC hopes to increase the use of XBRL data by investors and other market participants.

## What iXBRL means for issuers

For issuers, iXBRL represents a move towards greater simplicity. Replacing complex financial reporting with iXBRL means that only one piece of reporting will be required.

With iXBRL, they will no longer have the headache of maintaining both XBRL and HTML versions of filings, or keeping track of late-breaking changes in two separate versions.

The good news for all issuers, though, is that much of the hard work involved in changing to iXBRL will take place behind the scenes. Disclosure management systems will essentially provide users with the ability to generate a variety of outputs, including documents formatted in iXBRL.

## iXBRL in action

In June 2016, the SEC began a voluntary program allowing companies to file using iXBRL. Under that program, more than 100 filers submitted over 500 filings (as of May 2018). The results indicated that a wider use was feasible, paving the way for SEC adoption of iXBRL in June 2018.

DFIN encourages filers to educate themselves on the new rules and begin their implementation early. Taking steps now will ease the transition once the mandate goes into effect. Our ActiveDisclosure financial reporting solution incorporates the SEC and FASB guidelines and numerous validation rules to identify any errors. This combined with best practices for iXBRL compliance helps companies ensure a sustainable, ongoing reporting process and accurate submissions that meet the new SEC requirements.

## SEC's iXBRL compliance deadlines

The final rule's iXBRL requirements apply to all public companies currently required to submit financial statement information in XBRL format. To give certain registrants enough time to prepare for adoption, the final rule phases in the requirements over three years on the basis of filer category, as follows:

- For large accelerated filers that use U.S. GAAP, compliance will be required beginning with fiscal periods ending on or after June 15, 2019 (for calendar year-end domestic filers, the Form 10-Q for the quarter ending June 30, 2019).
- For accelerated filers that use U.S. GAAP, compliance will be required beginning with fiscal periods ending on or after June 15, 2020 (for calendar year-end domestic filers, the Form 10-Q for the quarter ending June 30, 2020).

- For all other filers, including foreign private issuers, compliance will be required beginning with fiscal periods ending on or after June 15, 2021 (for calendar year-end domestic filers, the Form 10-Q for the quarter ending June 30, 2021).

To ease the transition, companies will be required to comply beginning with their first Form 10-Q filed for a fiscal period ending on or after the applicable compliance date.

## For more information

The SEC's press release is available here: <https://www.sec.gov/news/press-release/2018-117>

For more information on iXBRL, see the SEC's final rule available here: <https://www.sec.gov/rules/final/2018/33-10514.pdf>

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