



CA
PAKISTAN

Digital Financial Reporting

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Member Accounting Standards Board

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What is XBRL – Extensible Business Reporting Language

XBRL is an open international standard for digital business reporting

- **All reports and returns to various regulators and bodies [e.g. Stock Exchanges] are standardized and have the same taxonomy.**
- **These then can be digitally consolidated and trends can be analysed - of all the companies or of some selected companies.**
- **XBRL replaces paper based, PDF & HTML documents.**
- **Information can move between organization rapidly without the need to redo them on organization specific format.**

Global landscape

- Latest implementation of XBRL for financial reporting

Malaysia (1.2 million companies)

South Africa (100,000 companies)

- **EU** - XBRL filing mandatory from **2020** (7000 listed companies)
- **China** – In 2004, first Asian country to adopt XBRL for financial reporting
- **India** - Since 2011 (Now 50,000 companies filing financial statements through XBRL)
- **UK** - 2.2 million companies filing tax returns and financial statements to the HRMC through XBRL

XBRL around
the World

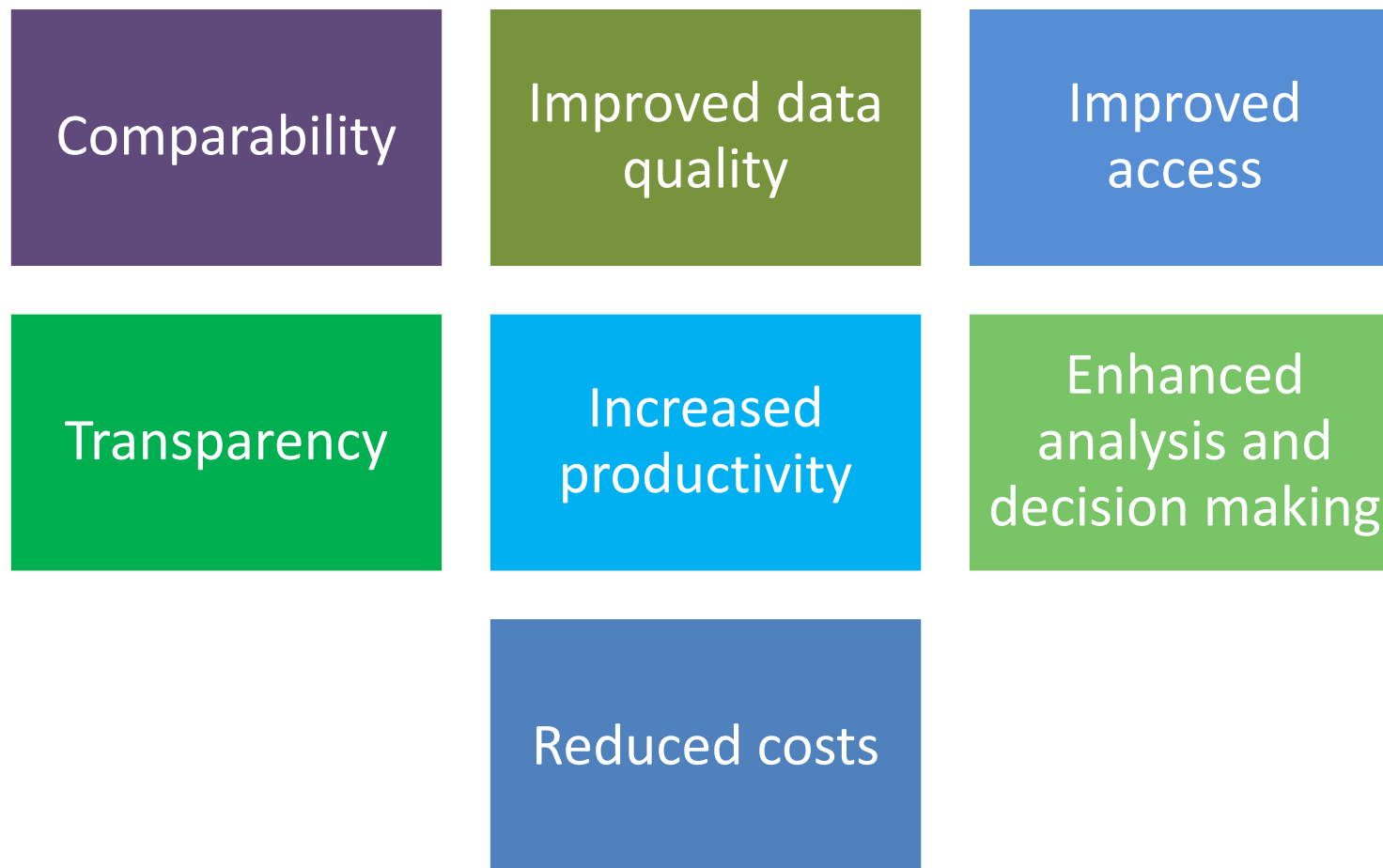


100
different
regulators



70
different
Countries

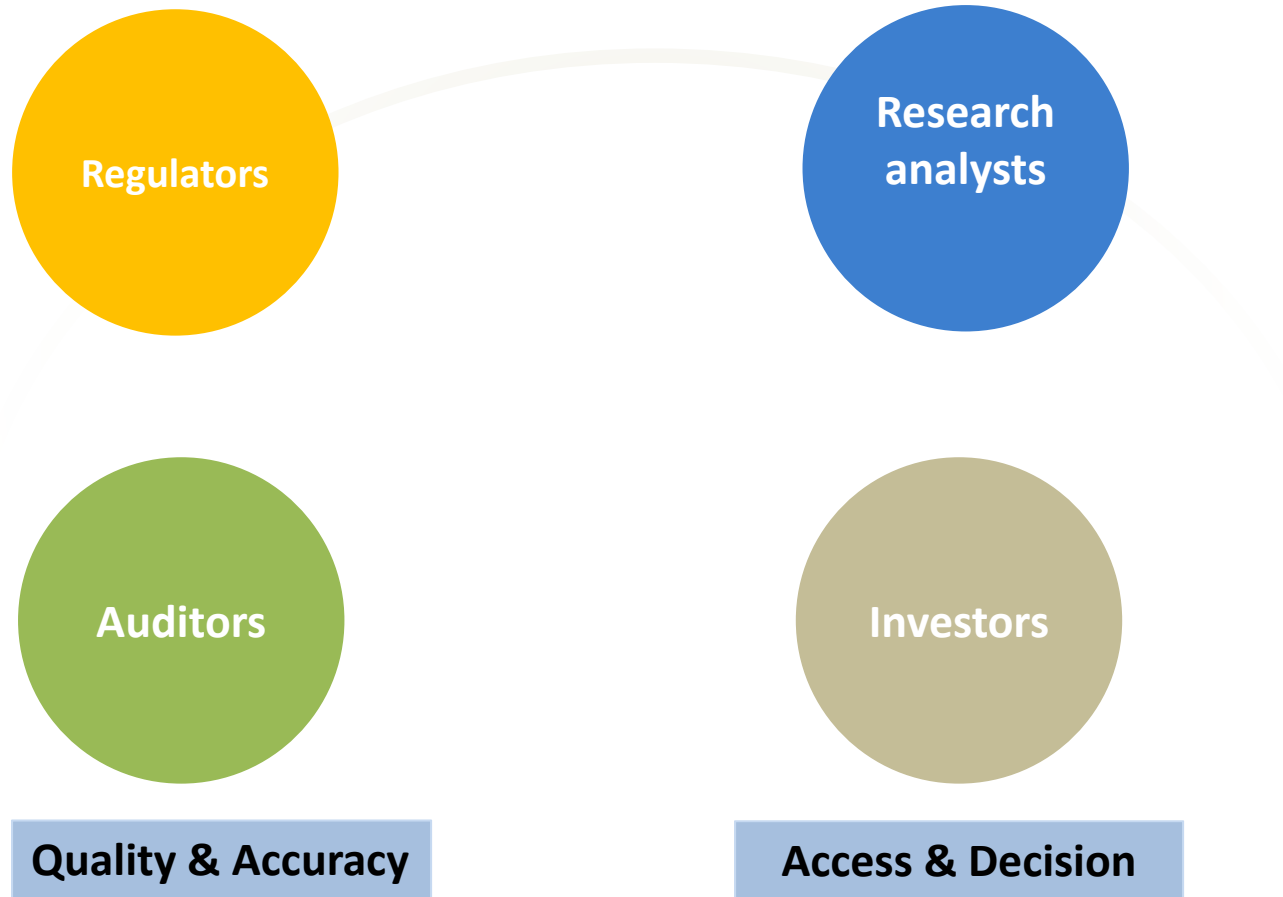
Benefits of digital financial reporting



XBRL Eco system - stakeholders



Who benefits from digital financial reporting



ASB initiative

Realizing the importance and relevance of digital financial reporting

- Initiated the ‘Digital Financial Reporting’ Project by forming a Task Force;
- Carried out extensive research of various jurisdictions;
- Participated in XBRL International Conference;
- Coordinated with XBRL International team, International IT vendors, Digital financial reporting implementers;
- Held high level meeting with SECP on Digital Financial Reporting in Pakistan; and
- Are in process of preparing a detail report for SECP .

XBRL taxonomy development

Few examples of Taxonomy development	
USA	America Institute of Certified Public Accountants
Netherlands	The Netherlands Institute of Chartered Accountants
India	The Institute of Chartered Accountants of India

ICAP can engage its resources for the development of an Taxonomy based on the:

- IFRS
- Requirements of the Companies Act 2017
- Specialized financial reporting requirements (Banks, Insurance etc.)

What is needed

- **Political will & Cooperation by all stakeholders**
Regulators, Companies, Software industry, Auditors, Government
 - Coalition of the willing
 - Buy-in of organizations involved (public and private sector)
- **Legal framework review**
- **Engagement of specialists and inter coordination of their work**
- **Manage resources (Human, Financial)**
- **Building awareness and trainings**
- **Time & expect delays**

Thank you