

# **CFA Institute Member Survey: XBRL**

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**Report prepared by:  
CFA Institute Market Research**

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## Executive Summary

### *XBRL Related Questions*

55 percent of respondents are not aware of XBRL, down slightly from 59 percent in 2007; 35 percent are aware of XBRL but not up-to-date on its usage in financial reporting, and 11 percent are aware of it and of plans for its usage in financial reporting. Awareness is significantly lower among members in Asia Pacific and EMEA than it is among those in the Americas. In EMEA, 33 percent are aware of XBRL and in Asia Pacific, 37 percent are aware. Conversely, in the Americas, 52 percent are aware of XBRL. In aggregate, and within regions, awareness is significantly lower among new CFA charterholders (those who have had their charter less than two years) and non-charterholder members (37 percent and 39 percent are aware, respectively) than among more tenured charterholders (49 percent of those with the CFA for 2-10 years are aware and 66 percent of those with the CFA for more than 10 years are aware). With regard to occupations, academics have the highest awareness (72 percent), followed by research analysts (48 percent), portfolio managers (46 percent), financial advisors (45 percent), investment banking analysts (33 percent), and credit analysts (26 percent).

Of those aware of XBRL, most do not use information through an XBRL instance document reader/viewer, and even fewer extract or import XBRL tagged data directly into financial analysis models. Using information through an XBRL instance document reader/viewer is slightly higher than it was in 2007; extracting/importing data is consistent with 2007 findings.

As in 2007, respondents indicate the use of XBRL tagged interactive data will have the largest effect or improvement on uploading company data into financial analysis models and making comparisons between companies and/or industries. Those obtaining most or all of their information from 3<sup>rd</sup> party data providers indicate a higher effect/improvement on the following than do those manually extracting most or all of their data from source documents: analyzing companies' performances, accessing companies' data regarding the level of disaggregation or granularity, and accessing companies' data regarding the level of timeliness.

67 percent think that companies should have limited ability to create new tags in order to reflect unique business activities or transactions not defined by the current XBRL taxonomy, and 25 percent think companies should not be able to create new tags. These results are consistent with the 2007 survey. Members in the Asia Pacific are more split in opinion to this question than members in the Americas and EMEA. In the Americas, an overwhelming 71 percent think companies should have limited ability to create new tags in order to reflect unique business activities or transactions not defined by the current XBRL taxonomy. 63 percent in EMEA support this protocol but only 41 percent in Asia Pacific support, significantly lower than the proportions in the Americas and EMEA. In Asia Pacific, 37 percent think companies should not be able to create new tags (compared to 22 percent and 29 percent in the Americas and EMEA, respectively) but 22 percent think they should be able to create new tags (compared to only 7 percent in the Americas and 8 percent in EMEA).

41 percent of those aware of XBRL think an integrated audit by an independent auditor is necessary to ensure the proper XBRL tags are assigned to the reported amount in accordance with GAAP defined tags (down from 50 percent in 2007), and 27 percent think a separate audit by an independent auditor is necessary (up from 19 percent in 2007).

70 percent think global convergence of XBRL taxonomies in performing their analysis of companies' financial statements and disclosures and comparing companies' performance is important (top two box). A higher proportion of members in EMEA think this is important (81 percent) than in the Americas (66 percent important). 79 percent of those in Asia Pacific indicate global convergence of XBRL taxonomies is important in performing their analysis.

### **General Financial Analysis Questions**

The majority of respondents obtain companies' financial data/information used in their evaluation and analysis either mostly from 3<sup>rd</sup> party data providers with some limited amount of data extracted manually from source documents (34 percent) or mostly extracted manually from source documents with limited data obtained from 3<sup>rd</sup> party data providers (34 percent). 21 percent indicate they manually extract all the data/information from source documents, up slightly from 17 percent in 2007. In the Americas, 46 percent obtain most or all of the data/information used in their evaluation & analysis of companies' performance & evaluation from 3<sup>rd</sup> party data providers, compared to only 32 percent in Asia Pacific and 34 percent in Europe, Middle East, and Africa (EMEA).

Annual reports, interim reports, and quarterly earnings releases are rated as the most important source documents in members' analysis and evaluations of companies' financial conditions and performances, as they also were in 2007. Across all source documents, the proportion of members indicating they are important (top two box) is higher than it was in 2007. The importance of each of the following source documents is significantly higher among respondents who indicate most or all of their data/information used in analysis & evaluation is manually extracted from source documents than among those who get most or all of their information from 3<sup>rd</sup> party data providers: interim reports, annual reports, special events reports, shareholder reports/proxy statements, periodic supplements/fact books, and prospectus/registration statements for initial public offerings.

An overwhelming majority of members indicate reliability, consistency, granularity, timeliness, and comparability are all important data attributes or characteristics to have in performing analysis and evaluation of a company's financial condition and performance. Reliability is most important, with 93 percent rating it important (top two box) and comparability rates are lowest in importance, although a majority 84 percent still rate this attribute as important. Findings are similar to 2007.

### **About the Survey**

*The purpose of this poll was to obtain CFA Institute member feedback on issues relating to eXtensible Business Reporting Language (XBRL) tagged data—ensuring a broad view of the “end user” of financial reports and other disclosures, gaining input on key areas involving the development and implementation of XBRL tagged data for financial reporting to the capital markets, and knowing what is important to members in accessing and analyzing companies' financial data.*

*23,854 CFA Institute members were invited to participate in the web-based survey via e-mail, which was delivered on 27 October 2009. The survey closed on 6 November. The survey questionnaire consisted of nine questions, all of which were asked in the exact same manner as on the June 2007 XBRL member survey. 1,462 valid responses were received, for an overall response rate of 6.1 percent. The margin of error is ±2.5 percent at the 95 percent confidence level. Margin of error varies by question as the number responding to each question varies. No opinion responses have been excluded from the findings presented below.*

## Purpose

The objectives of the XBRL survey of CFA Institute members on issues relating to XBRL tagged data are: to ensure a broad view of the “end user” of financial reports and other disclosures, to gain input on some key areas involving the development and implementation of XBRL tagged data for financial reporting to the capital markets, and to know what is important to members in accessing and analyzing companies’ financial data. In addition, the results from the survey will be benchmarked against the XBRL survey conducted in June 2007.

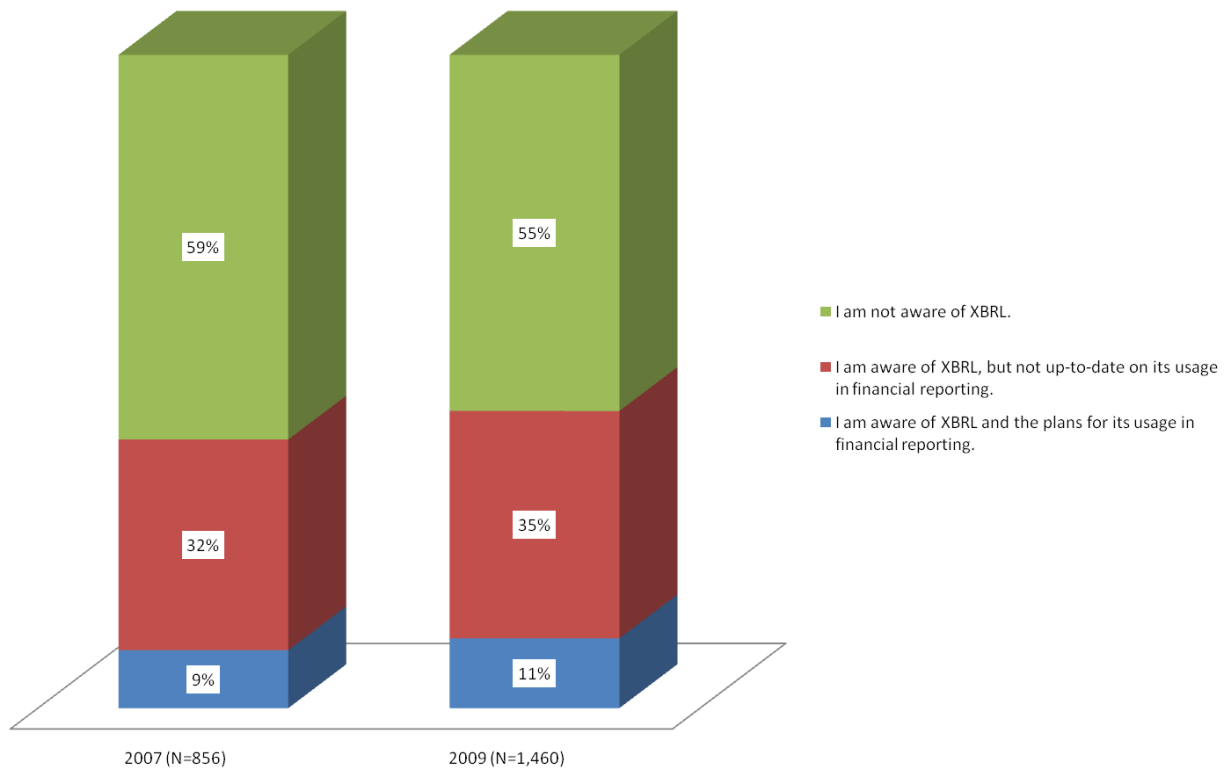
## Results

### XBRL Related Questions

#### Awareness of XBRL

Many countries’ security regulators and standard setters are moving towards the utilization of eXtensible Business Reporting Language (XBRL) as an alternative method for companies to prepare their financial reports. 55 percent of respondents are not aware of XBRL, down slightly from 59 percent in 2007. 35 percent are aware of XBRL but not up-to-date on its usage in financial reporting, and 11 percent are aware of it and of plans for its usage in financial reporting.

**Please indicate your level of awareness to the initiatives in your jurisdiction.**



Awareness is significantly lower among members in Asia Pacific and EMEA than it is among those in the Americas. In EMEA, 33 percent are aware of XBRL, and in Asia Pacific, 37 percent are aware. Conversely, in the Americas, 52 percent are aware of XBRL.

Both in aggregate and within regions, awareness is significantly lower among new CFA charterholders (those who have had their charter less than two years) and non-charterholder members (37 percent and 39 percent are aware, respectively) than among more tenured charterholders (49 percent of those with the CFA for 2-10 years are aware and 66 percent of those with the CFA for more than 10 years are aware).

With regard to occupations, academics have the highest awareness (72 percent aware), followed by research analysts (48 percent aware), portfolio managers (46 percent aware), financial advisors (45 percent aware), investment banking analysts (33 percent aware), and credit analysts (26 percent aware).

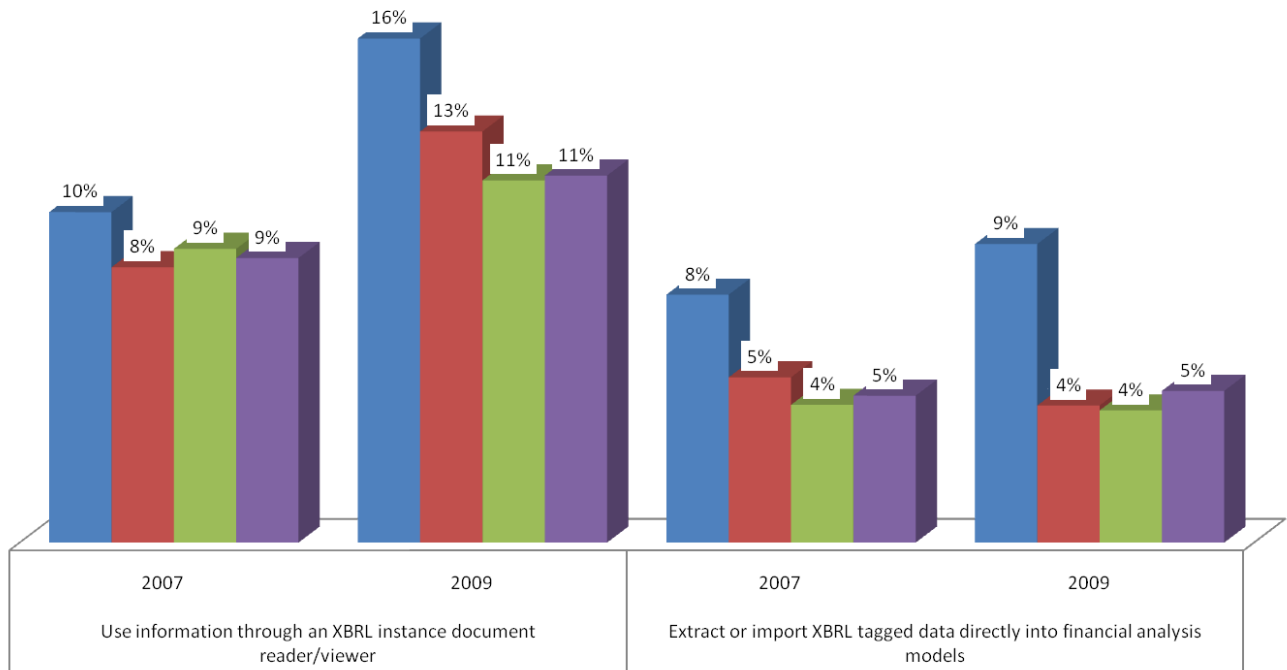
**Current use/extraction of XBRL tagged data from source documents (of those aware of XBRL)**

Of those aware of XBRL, most do not use information through an XBRL instance document reader/viewer, and even fewer extract or import XBRL tagged data directly into financial analysis models. Using information through an XBRL instance document reader/viewer is slightly higher than it was in 2007, and extracting/importing data is consistent with 2007 findings.

**Please indicate whether you currently use and/or extract XBRL tagged data from the following source documents.**

*Based on respondents aware of XBRL (2007, N=354 and 2009, N=664)*

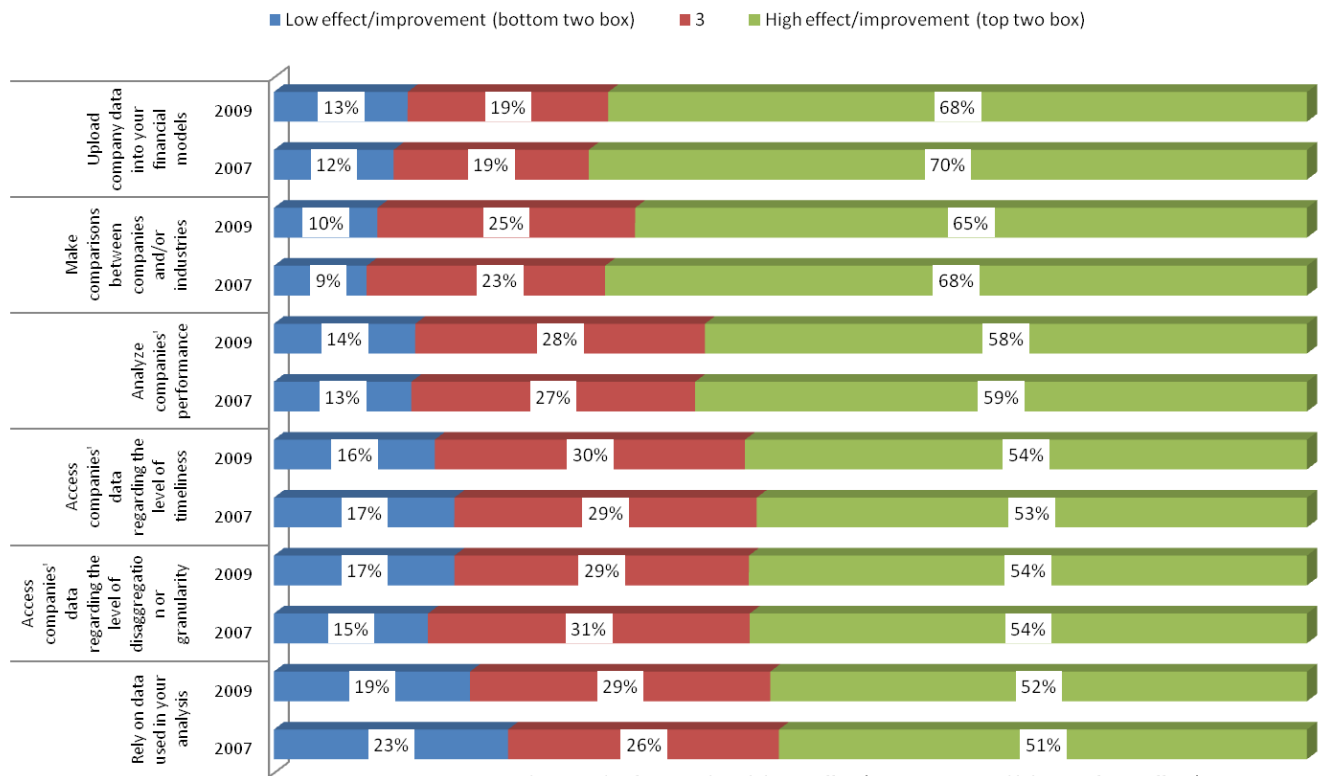
- Periodic reports filed with national stock exchanges or securities regulators
- IPO prospectuses or other capital offering registration statements filed with national stock exchanges or securities regulators
- Special event reports filed with national stock exchanges or securities regulators
- Periodic reports or documents filed with prudential regulators



### Effect of using XBRL tagged interactive data (of those aware of XBRL)

As in 2007, respondents indicate the use of XBRL tagged interactive data will have the largest effect or improvement on uploading company data into financial analysis models and making comparisons between companies and/or industries.

**Indicate how the use of XBRL tagged interactive data, which is computer readable, will most likely affect your ability to do the following aspects of your review and evaluation of companies' financial reports and other corporate disclosures.**



*Based on a scale of 1 to 5 where '1' is no effect/improvement and '5' is significant effect/improvement*

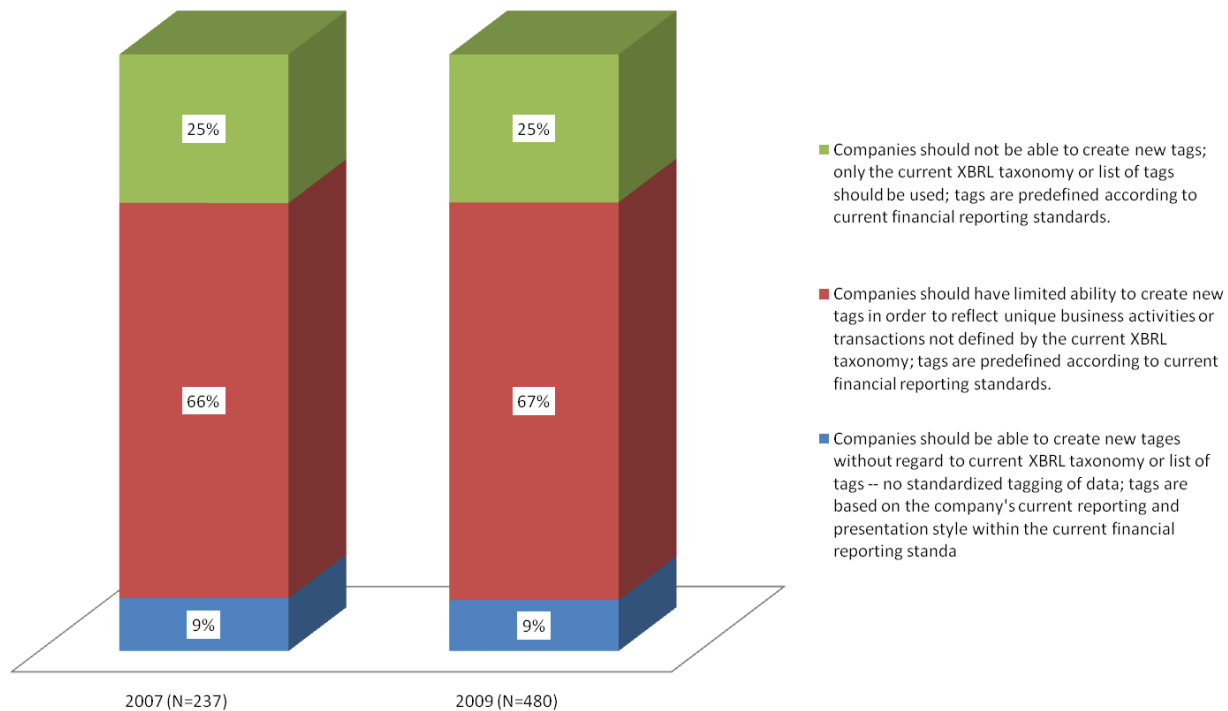
Those obtaining most or all of their information from 3<sup>rd</sup> party data providers indicate a higher effect/improvement of the following than do those manually extracting most or all of their data from source documents: analyzing companies' performance (65 percent vs. 52 percent high effect/improvement), accessing companies' data regarding the level of disaggregation or granularity (62 percent vs. 46 percent high effect/improvement), and accessing companies' data regarding the level of timeliness (61 percent vs. 48 percent high effect/improvement).



### Protocol for creating XBRL data tags (of those aware of XBRL)

67 percent think that companies should have limited ability to create new tags in order to reflect unique business activities or transactions not defined by the current XBRL taxonomy (tags are predefined according to current financial reporting standards). 25 percent think companies should not be able to create new tags (only current XBRL taxonomy or list of tags should be used and tags are predefined according to current financial reporting standards). These results are consistent with the 2007 survey.

#### The flexibility of XBRL structure allows data tags to be created by companies while preparing their financial reports. What should the protocol be to create XBRL data tags for financial reporting purposes?

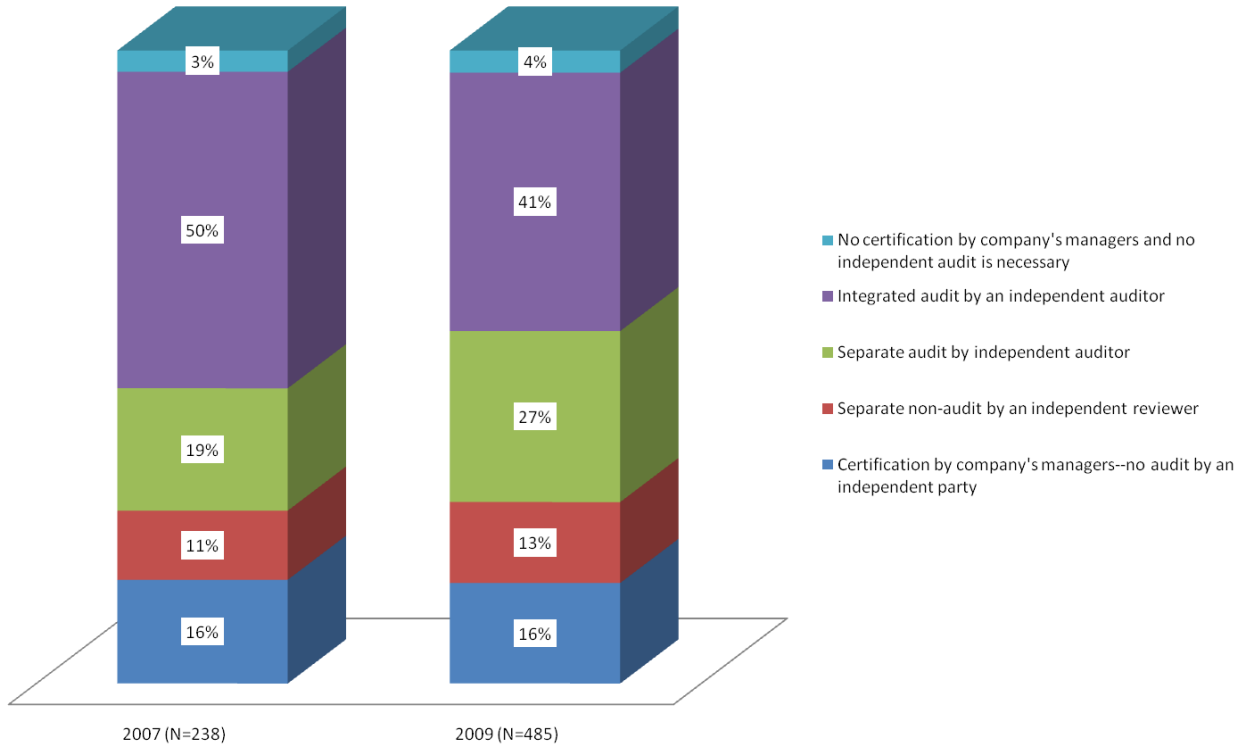


Members in Asia Pacific are more split on opinion to this question than members in the Americas and EMEA. In the Americas, an overwhelming 71 percent think companies should have limited ability to create new tags in order to reflect unique business activities or transactions not defined by the current XBRL taxonomy. 63 percent in EMEA support this protocol but only 41 percent in Asia Pacific support, significantly lower than the proportions in the Americas and EMEA. In Asia Pacific, 37 percent think companies should not be able to create new tags (compared to 22 percent and 29 percent in the Americas and EMEA, respectively) and 22 percent think they should be able to create new tags (compared to only 7 percent in the Americas and 8 percent in EMEA).

**Necessary level of assurance (of those aware of XBRL)**

41 percent of those aware of XBRL think an integrated audit by an independent auditor is necessary to ensure the proper XBRL tags are assigned to the reported amount in accordance with GAAP defined tags (down from 50 percent in 2007), and 27 percent think a separate audit by an independent auditor is necessary (up from 19 percent in 2007).

**What level of assurance is necessary to ensure that the proper XBRL tags are assigned to the reported amounts in accordance with GAAP defined tags?**

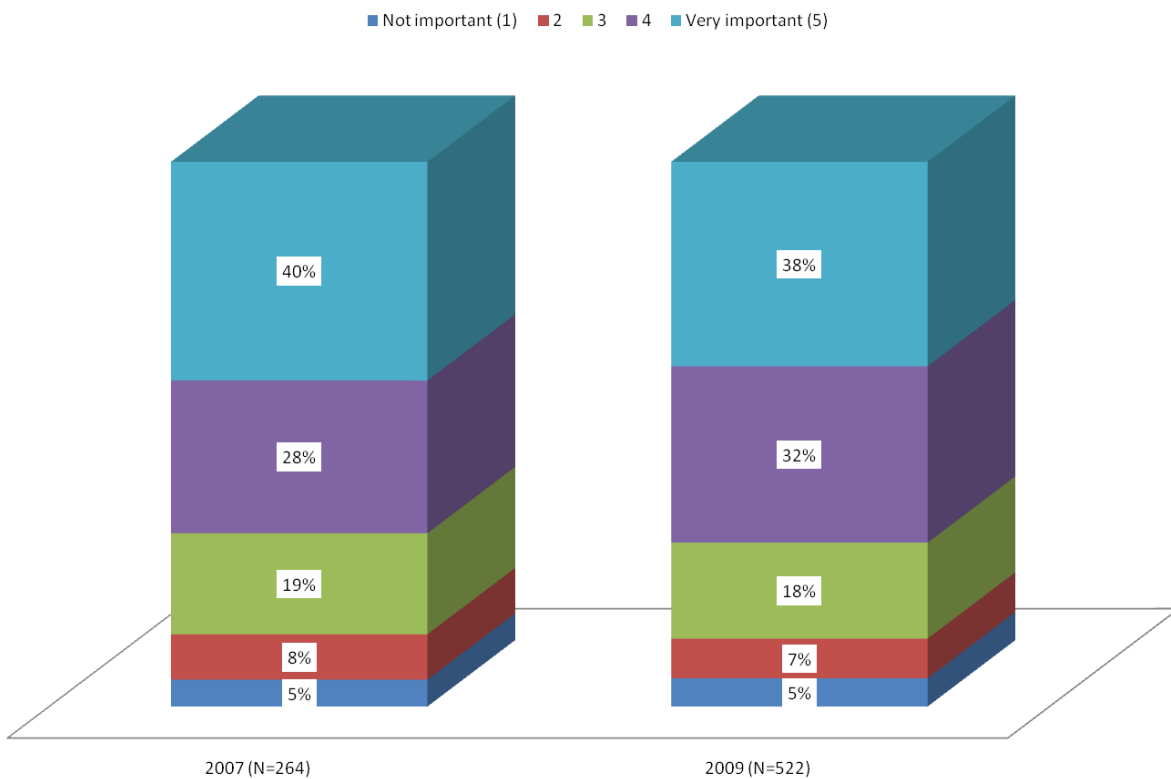


**Importance of global convergence of XBRL taxonomies (of those aware of XBRL)**

70 percent think global convergence of XBRL taxonomies in performing their analysis of companies' financial statements and disclosures and comparing companies' performance is important (top two box).

A higher proportion of members in EMEA think this is important (81 percent) than of members in the Americas (66 percent important). 79 percent of those in Asia Pacific indicate global convergence of XBRL taxonomies is important in performing their analysis.

**How important is the global convergence of XBRL taxonomies in performing your analysis of companies' financial statements and disclosures and comparing companies' performance?**

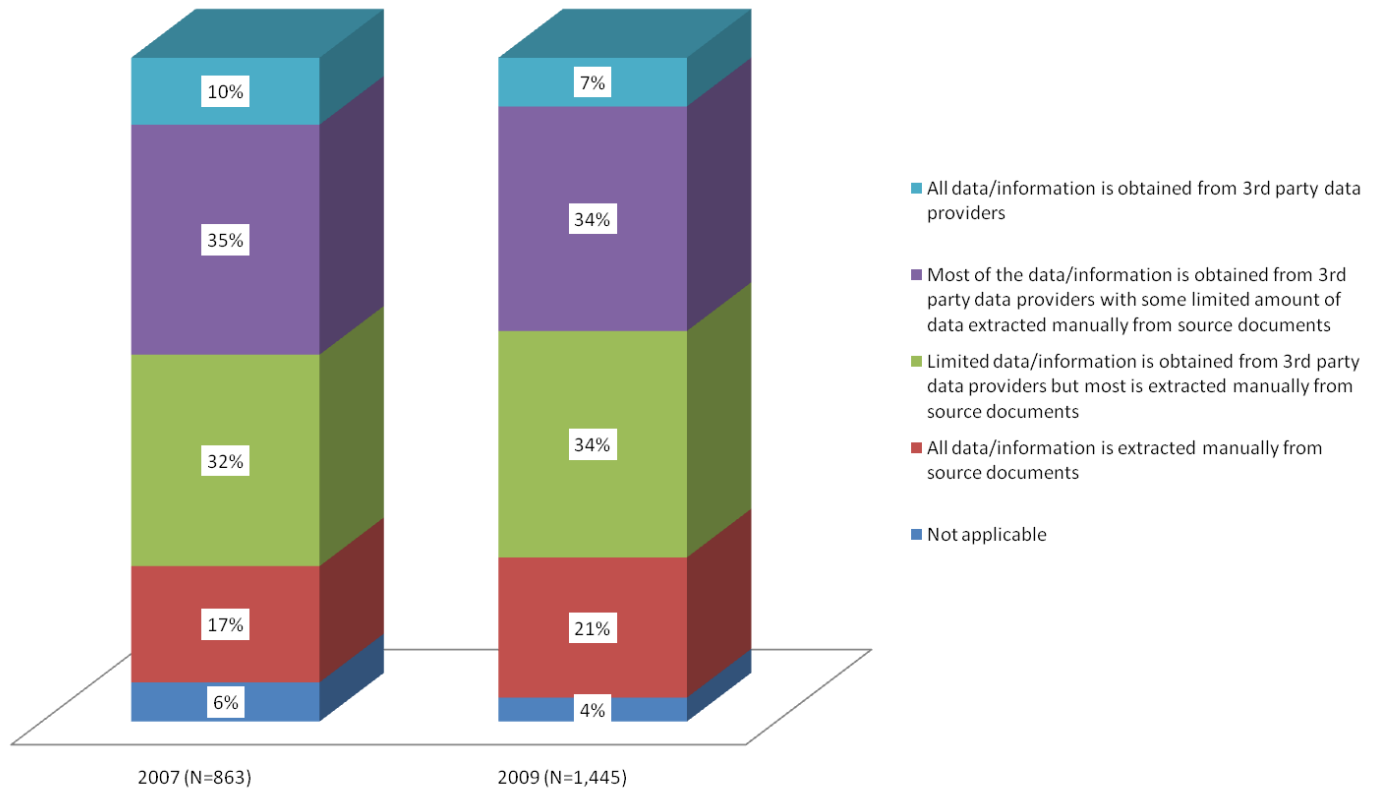


*General Financial Analysis Questions*

**How members obtain companies' financial data/information for use in evaluation & analysis**

Similar to 2007, the majority of respondents obtain companies' financial data/information used in their evaluation and analysis either mostly from 3<sup>rd</sup> party data providers with some limited amount of data extracted manually from source documents (34 percent) or mostly extracted manually from source documents with limited data obtained from 3<sup>rd</sup> party data providers (34 percent). 21 percent indicate they manually extract all the data/information from source documents, up slightly from 17 percent in 2007.

**Which of the following best describes how you obtain companies' financial data/information used in your evaluation and analysis of their performance and valuation, and ultimately, make an investment decision?**



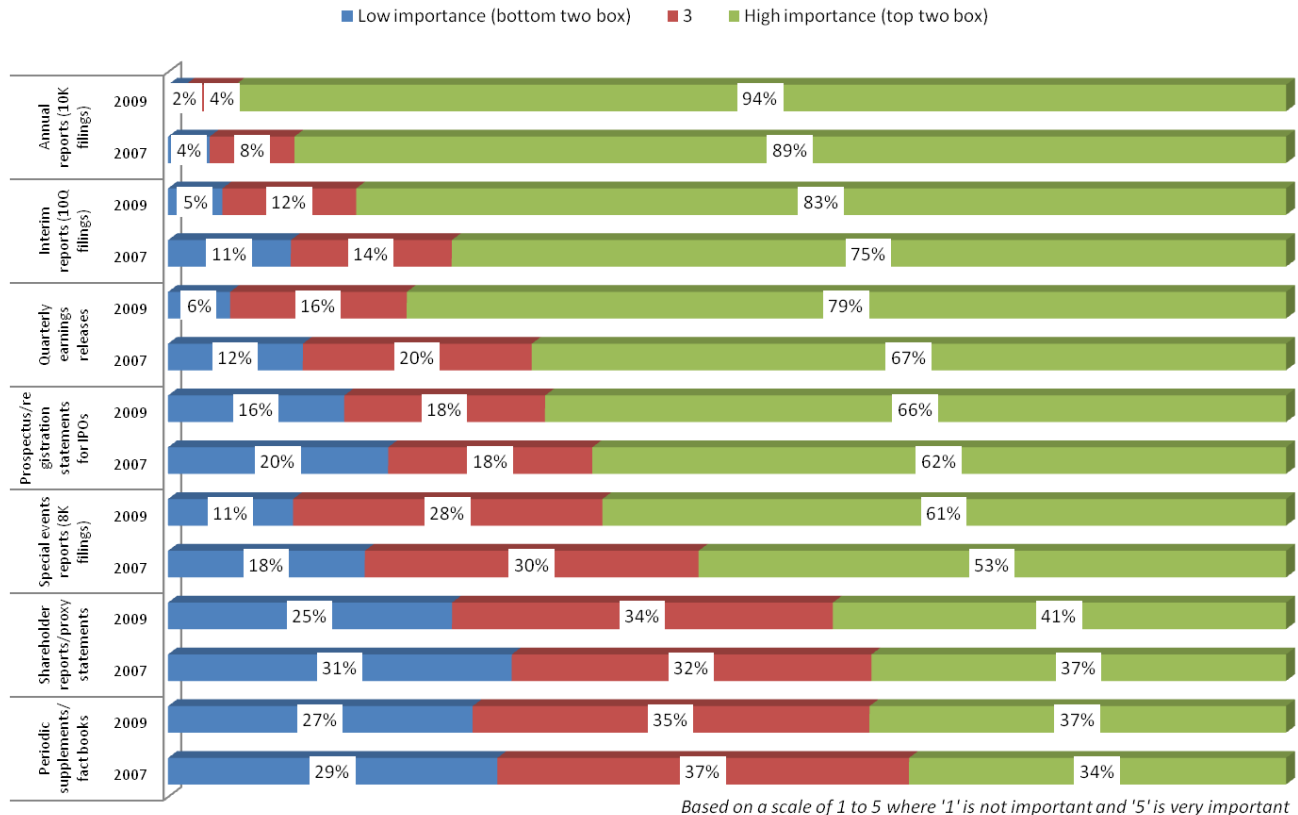
In the Americas, 46 percent obtain most or all of the data/information used in their evaluation & analysis of companies' performance & evaluation from 3<sup>rd</sup> party data providers, compared to only 32 percent in Asia Pacific and 34 percent in Europe, Middle East, and Africa (EMEA).

### Importance of source documents to analysis and evaluation

Annual reports, interim reports, and quarterly earnings releases are rated as the most important source documents in members' analysis and evaluation of companies' financial condition and performance, as they also were in 2007. Across all source documents, the proportion of members indicating they are important (top two box) is higher than it was in 2007.

Of least importance are periodic supplements/factbooks (37 percent rated important and 27 percent unimportant) and shareholder reports/proxy statements (41 percent rated important and 25 percent rated unimportant).

Please indicate the level of importance that each of the following source documents have to your analysis and evaluation of a company's financial condition and performance.

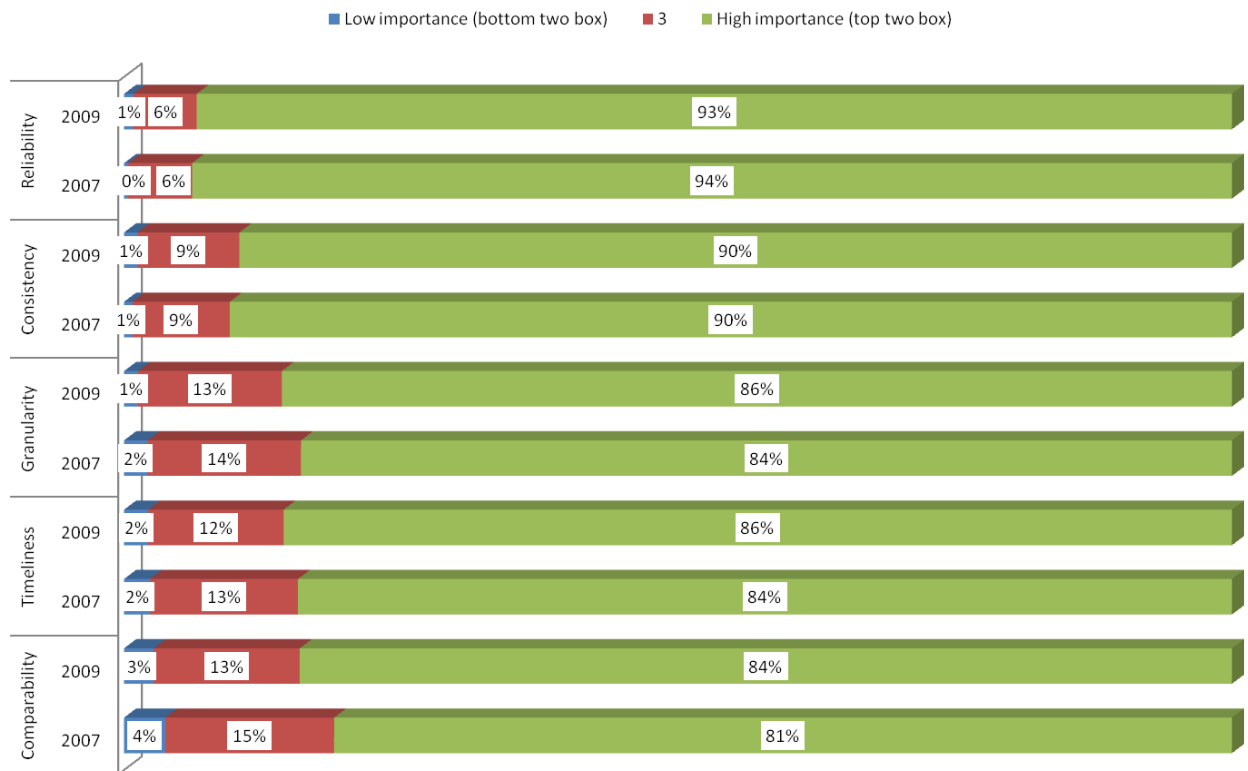


The importance of each of the following source documents is significantly higher among respondents who indicate most or all of their data/information used in analysis & evaluation is manually extracted from source documents than among those who get most or all of their information from 3<sup>rd</sup> party data providers: interim reports, annual reports, special events reports, shareholder reports/proxy statements, periodic supplements/fact books, and prospectus/registration statements for initial public offerings.

### Importance of data attributes in performing analysis and evaluation

An overwhelming majority of members indicate reliability, consistency, granularity, timeliness, and comparability are all important data attributes or characteristics to have in performing analysis and evaluation of a company's financial condition and performance. Reliability is most important, with 93 percent rating it important (top two box); comparability rates lowest in importance, although a majority 84 percent still rate this attribute as important.

**Please indicate the level of importance that each of the following data attributes or characteristics have to performing your analysis and evaluation of a company's financial condition and performance.**



*Based on a scale of 1 to 5 where '1' is not important and '5' is very important*

Timeliness is rated to be more important by those in the Americas and Asia Pacific (87 percent and 88 percent, respectively) than by those in EMEA (79 percent rated as important). Granularity is more important to those extracting most or all of their data manually from source documents (88 percent important) than to those obtaining most or all of their data from 3<sup>rd</sup> party data providers (83 percent important).

## Methodology

### Questionnaire Development

The questionnaire was developed from the June 2007 XBRL survey. All questions were kept exactly the same from the earlier survey, although some questions included on the 2007 survey were not asked on the 2009 survey.

### Sampling

For this survey, the target sampling frame consisted of members that are end users of financial reports. In collaboration with CFA Institute Centre staff, it was determined that the following occupations would be most likely to be “end users” or would have sufficient knowledge about XBRL and other disclosures to provide input: academics, credit analysts, financial advisors, investment banking analysts, portfolio managers, and research analysts. The total size of the sample frame is just over 39,500.

Based on sample sizes, all academics, credit analysts, financial advisors and investment banking analysts were invited to participate. A random sample of 8,000 portfolio managers and 8,000 research analysts were also included in the sample:

Occupation	Sample Size
Academic	751
Credit Analyst	398
Financial Advisor	3502
Investment Banking Analyst	3243
Portfolio Manager	8000
Research Analyst	8000
<b>Grand Total</b>	<b>23894</b>

### Distribution

On 27 October, an e-mail invitation to the above-defined sample of CFA Institute members was sent inviting them to participate in a web-based survey. 23,854 emails were successfully delivered. One follow-up reminder was sent to non-respondents on 4 November 2009. The survey closed at midnight (PST) on 6 November 2009.

### Analysis and Reporting

The following information was preloaded into the survey program in order to (1) provide demographical information about the respondents and (2) conduct statistical analysis on subgroups if necessary:

- Occupation
- Region (Americas, EMEA, Asia Pacific)
- Country
- CFA charterholder status (charterholder members vs. non-charterholder members)
- Years with the CFA charter (<2, 2-5, 6-10, 11-15, 16-20, >20, Not applicable)
- Assets managed (institutional, private, both, not applicable)
- Buy/sell side (buy side, sell side, both, neither)
- Primary investment practice (e.g., commodities, hedge funds, equities, etc.)

Sample sizes for some demographical information are small; statistical analysis should only be run for those with sufficient response.

For purposes of analysis, most of the ‘not applicable’ and ‘no opinion’ responses are excluded from the results (calculations).

### *Response Rate and Demographics*

23,894 members were invited to participate in the survey, and 23,854 e-mail invitations were successfully delivered. 1,462 valid responses were received, for a response rate of 6.1%. The margin of error (based on the sampling frame population) is  $\pm 2.5$  percent at the 95 percent confidence level. Margin of error will vary by question, as the number of respondents varies by question. For example, five questions were asked only of those that were aware of XBRL and most questions excluded the respondents that answered “no opinion.”

Occupation	Invited	Responded	Response Rate
Academic	751	57	8%
Credit Analyst	398	39	10%
Financial Advisor	3502	188	5%
Investment Banking Analyst	3243	215	7%
Portfolio Manager	8000	367	5%
Research Analyst	8000	596	7%
<b>Grand Total</b>	<b>23894</b>	<b>1462</b>	

Region	Invited	Responded	Response Rate
Americas	16118	923	6%
Asia Pacific	3353	194	6%
EMEA	4400	345	8%
(blank)	23	0	0%
<b>Grand Total</b>	<b>23894</b>	<b>1462</b>	

Country	Invited	Responded	Response Rate
USA	13054	759	6%
Canada	2793	132	5%
United Kingdom	1676	89	5%
China	530	44	8%
Switzerland	456	35	8%
Germany	412	29	7%
India	151	22	15%
Singapore	538	22	4%



Australia	375	19	5%
Japan	250	19	8%
Hong Kong	891	18	2%
South Africa	309	14	5%
France	159	13	8%
Poland	57	12	21%
Brazil	112	11	10%
Ireland	74	11	15%
Italy	95	11	12%
Netherlands	141	11	8%
All other	1821	191	10%
<b>Grand Total</b>	<b>23894</b>	<b>1462</b>	

CFA Charterholder Status	Invited	Responded	Response Rate
CFA	21109	1209	6%
Non-CFA	2785	253	9%
<b>Grand Total</b>	<b>23894</b>	<b>1462</b>	

Years with Charter	Invited	Responded	Response Rate
<2	2985	348	12%
2-5	7040	333	5%
6-10	6710	309	5%
11-15	2184	97	4%
16-20	1205	58	5%
More than 20 Years	985	64	6%
Not applicable	2785	253	9%
<b>Grand Total</b>	<b>23894</b>	<b>1462</b>	

Asset Base	Invited	Responded	Response Rate
Institutional	7950	445	6%
Private	6059	367	6%
Both	2605	147	6%
N/A	7279	503	7%
(blank)	1	0	0%
<b>Grand Total</b>	<b>23894</b>	<b>1462</b>	

Buy/Sell Side	Invited	Responded	Response Rate
Buy Side	13727	832	6%

Sell Side	4451	264	6%
Buy Side / Sell Side	1658	122	7%
Neither	4057	244	6%
(blank)	1	0	0%
<b>Grand Total</b>	<b>23894</b>	<b>1462</b>	

Primary Investment Practice	Invited	Responded	Response Rate
Commodities	149	10	7%
Derivatives	429	32	7%
Equities	11659	777	7%
Fixed Income	4361	239	5%
Foreign Currency	135	7	5%
Hedge Funds	572	22	4%
Indexed	239	11	5%
Private Equity	1072	85	8%
Real Estate	472	33	7%
Structured Products	605	32	5%
Venture Capital	129	12	9%
Other	949	52	5%
Not Applicable	2870	137	5%
(blank)	253	13	5%
<b>Grand Total</b>	<b>23894</b>	<b>1462</b>	