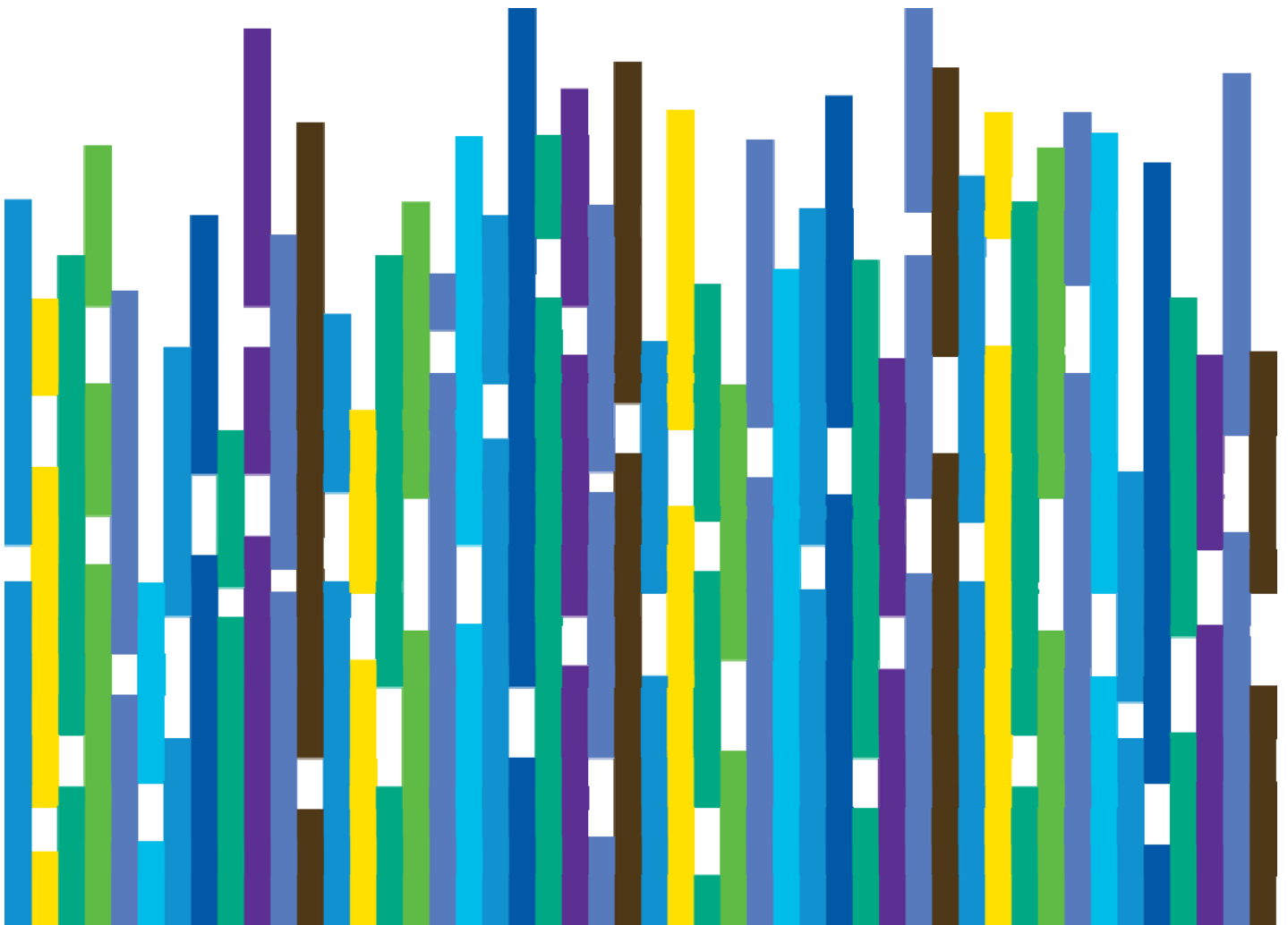# CFA INSTITUTE MEMBER SURVEY: XBRL (EXTENSIBLE BUSINESS REPORTING LANGUAGE)

CFA INSTITUTE MEMBER SURVEY: XBRL (EXTENSIBLE BUSINESS REPORTING LANGUAGE)

Contents

Executive Summary

Awareness of the eXtensible Business Reporting Language (XBRL) has seen a slight decrease in 2016, with 45% of respondents being aware of it, largely in line with the results from the 2011 survey.

Forty-eight percent of respondents obtain most of the data/information used in their evaluation/analysis of companies from third-party data providers, with a limited amount of data extracted manually. Only 10% of respondents obtain all data/information from third-party providers. Compared with previous years' results, information obtained from third-party data providers has increased slightly.

Annual reports are considered the most important source of information for respondents' analysis and evaluation, with 89% rating them as important. Periodic supplements/fact books, on the other hand, are the least important source, with only 43% rating them important, although their importance has steadily increased since 2007.

Reliability is rated as the most important data attribute for respondents' analysis and evaluation of a company's financial condition and performance, with 77% rating it as very important. On the other hand, granularity is the least important attribute, with only 55% of respondents rating it very important.

Of those aware of XBRL, the highest proportions agree that XBRL-tagged interactive data will have the most significant improvement on their ability to increase the timeliness of the valuation process and upload company data into their financial analysis models.

Seventy percent of respondents who are aware of XBRL consider it important to individually tag all reported information, regardless of comparability (41% because doing so allows the user to determine the importance of an item to a fair valuation of the company and 29% because doing so will make it easier for data aggregators to integrate the information into their normalized databases).

Fifty percent of respondents who are aware of XBRL agree that the XBRL report should be incorporated into standard financial statement audit, similar to prior years' results.

Seventy-seven percent of respondents aware of XBRL rated tagged information for all companies across a meaningful set of annual and interim periods as important for their use of XBRL file information. Executive compensation–related information is considered least important.

The majority of respondents think resources for importing and/or analyzing information should be made available for free by regulators (83%) and/or third-party vendors (64%).

About the Survey

Several regulators have or are implementing reporting requirements for public companies centered on making the disclosed information more easily computer consumable.

Survey objectives:

1. Assess the importance of various items in members' analysis and evaluation of a company.
2. Measure XBRL awareness among members.
3. Obtain feedback that can be used to inform discussion around areas for change or improvements to existing reporting requirements.

The survey results will be presented to relative parties as a reflection of "users'" views on tagged financial data. It will also assist in framing our discussions around areas for change or improvements to existing reporting requirements.

The survey was conducted from 25 July to 18 August 2016 among a targeted sample of 25,000 members conducting research and/or making investment decisions or recommending public company securities.

Three hundred sixty-two CFA Institute members participated in the survey, for a response rate of 1.4% and a margin of error of ±5.11%. Of the total respondents, 60% are from the Americas region (AMER), followed by 24% from Europe, the Middle East, and Africa (EMEA) and 16% from Asia Pacific (APAC).

Regional Distribution of Respondents

- AMERICAS ■ ASIA PACIFIC ■ EMEA

24%

16%

60%
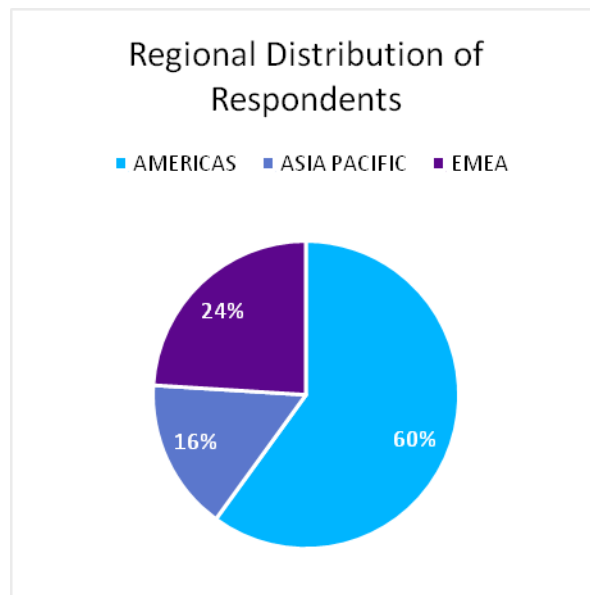
Survey Results

Level of Awareness on XBRL

Fifty-five percent of respondents are unaware of the eXtensible Business Reporting Language (XBRL), and only 10% of respondents are aware of XBRL and the plans for its use. These findings are largely consistent with previous years' results.
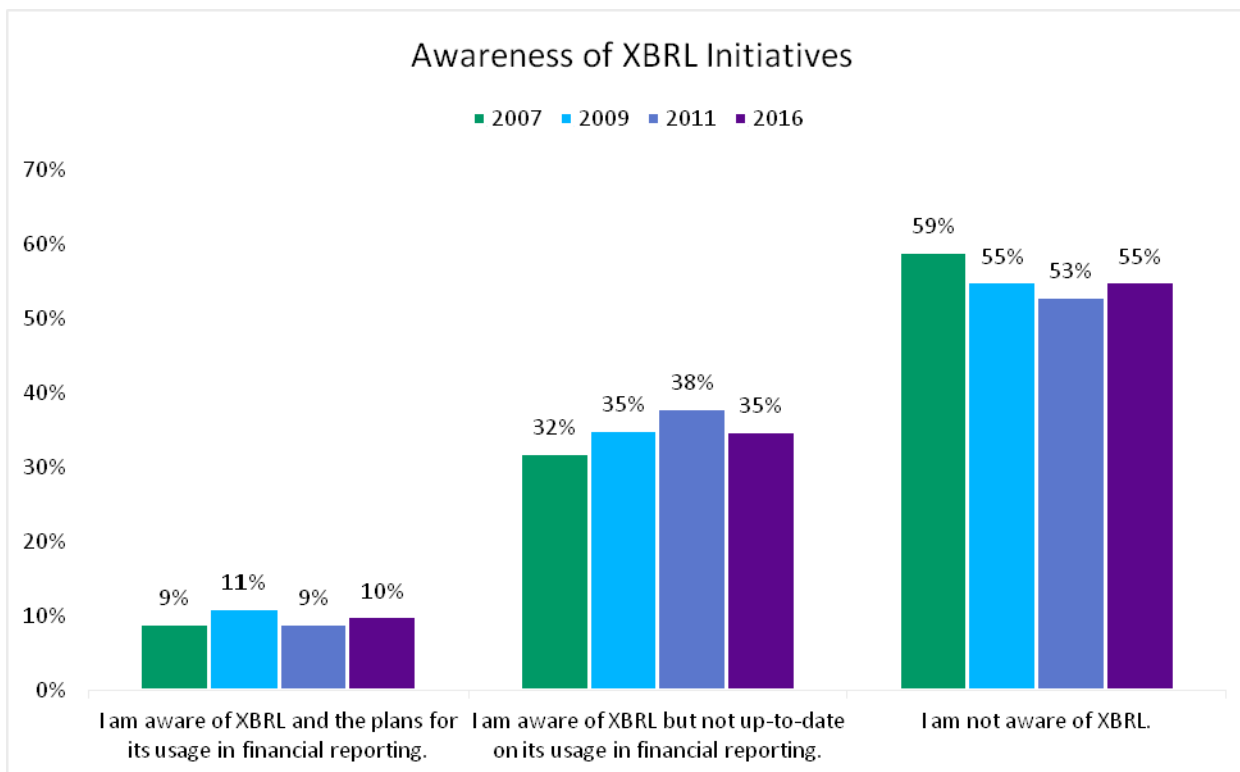
Question: *Many countries' security regulators and standard setters are moving towards the utilization of eXtensible Business Reporting Language (XBRL) as an alternative method for companies to prepare their financial reports. Please indicate your level of awareness to the initiatives in your jurisdiction.* (Base: 352 members)

The level of awareness is higher for tenured charterholders (who have had the charter for more than two years) than for newer charterholders (who have had the charter for less than two years). But the awareness of plans for XBRL's usage remains low across all charter age groups.

Awareness of XBRL Initiatives, by Occupation

- I am aware of XBRL and the plans for its usage in financial reporting.
- I am aware of XBRL but not up-to-date on its usage in financial reporting.
- I am not aware of XBRL.

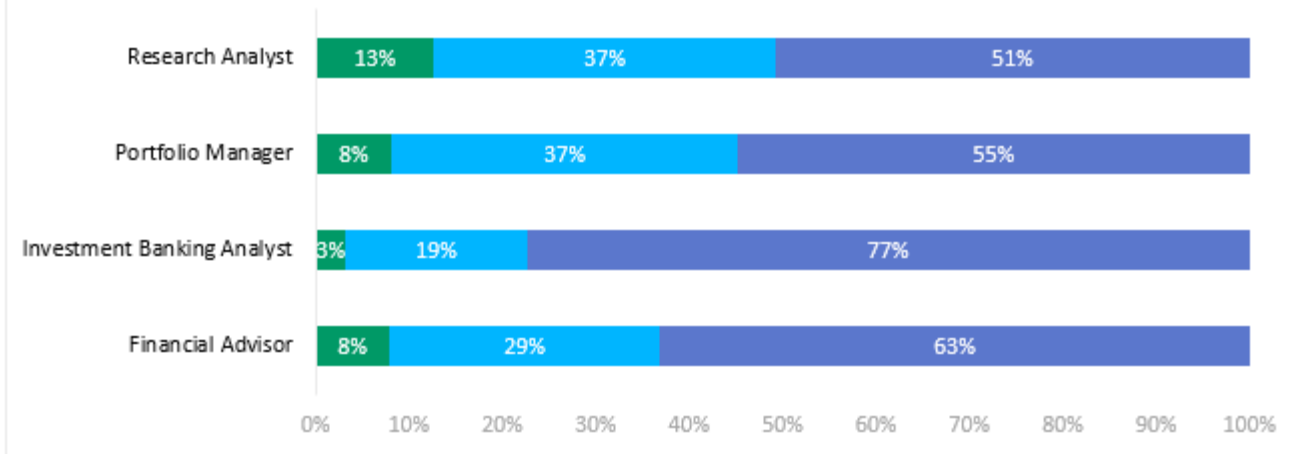| Occupation	Aware + plans	Aware, not up-to-date	Not aware
Research Analyst	13%	37%	51%
Portfolio Manager	8%	37%	55%
Investment Banking Analyst	3%	19%	77%
Financial Advisor	8%	29%	63%

Question: 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. Please indicate your level of awareness to the initiatives in your jurisdiction. (Base: 352 members)

How to Obtain Companies' Financial Data

Forty-eight percent of respondents obtain most of the data/information used in their evaluation and analysis from third-party data providers, with a limited amount of data extracted manually from source documents. Only 10% of respondents obtain all data/information from third-party providers. Compared with previous years' results, the proportion of respondents obtaining most of their information from third-party data providers and some limited amount manually has increased slightly, whereas the proportion who extract all information manually from source documents has decreased.
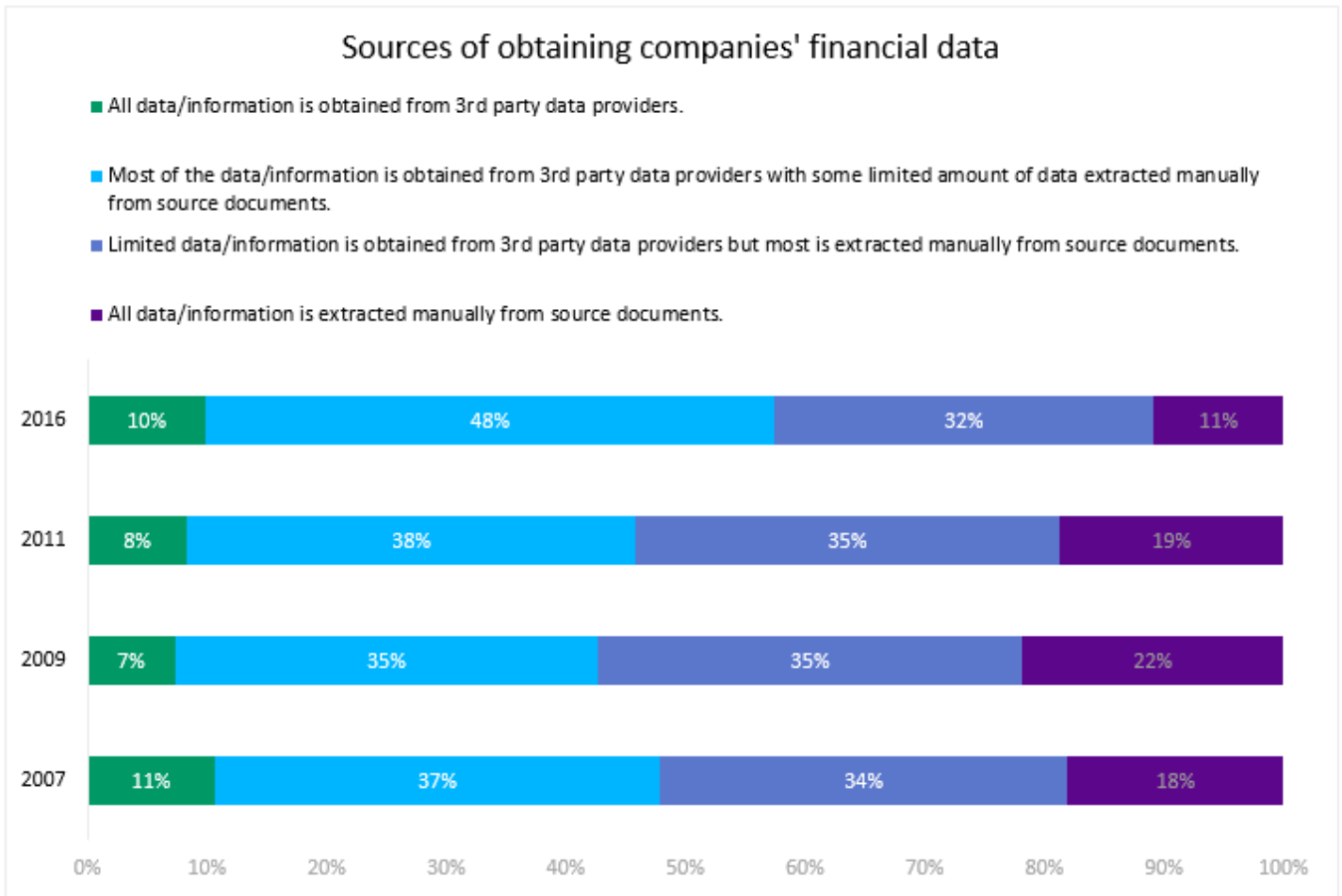
Sources of obtaining companies' financial data

- ■ All data/information is obtained from 3rd party data providers.
- ■ Most of the data/information is obtained from 3rd party data providers with some limited amount of data extracted manually from source documents.
- ■ Limited data/information is obtained from 3rd party data providers but most is extracted manually from source documents.
- ■ All data/information is extracted manually from source documents.

Year	All from 3rd party	Most from 3rd party	Limited from 3rd party	All manual
2016	10%	48%	32%	11%
2011	8%	38%	35%	19%
2009	7%	35%	35%	22%
2007	11%	37%	34%	18%

Question: 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? [Base: 342 members (Those who selected "Not applicable" are excluded)]

Portfolio managers are more likely to obtain most data/information from third-party providers compared with research analysts, financial advisors, and investment banking analysts.

Source of Obtaining Companies' Financial Data, by Occupation
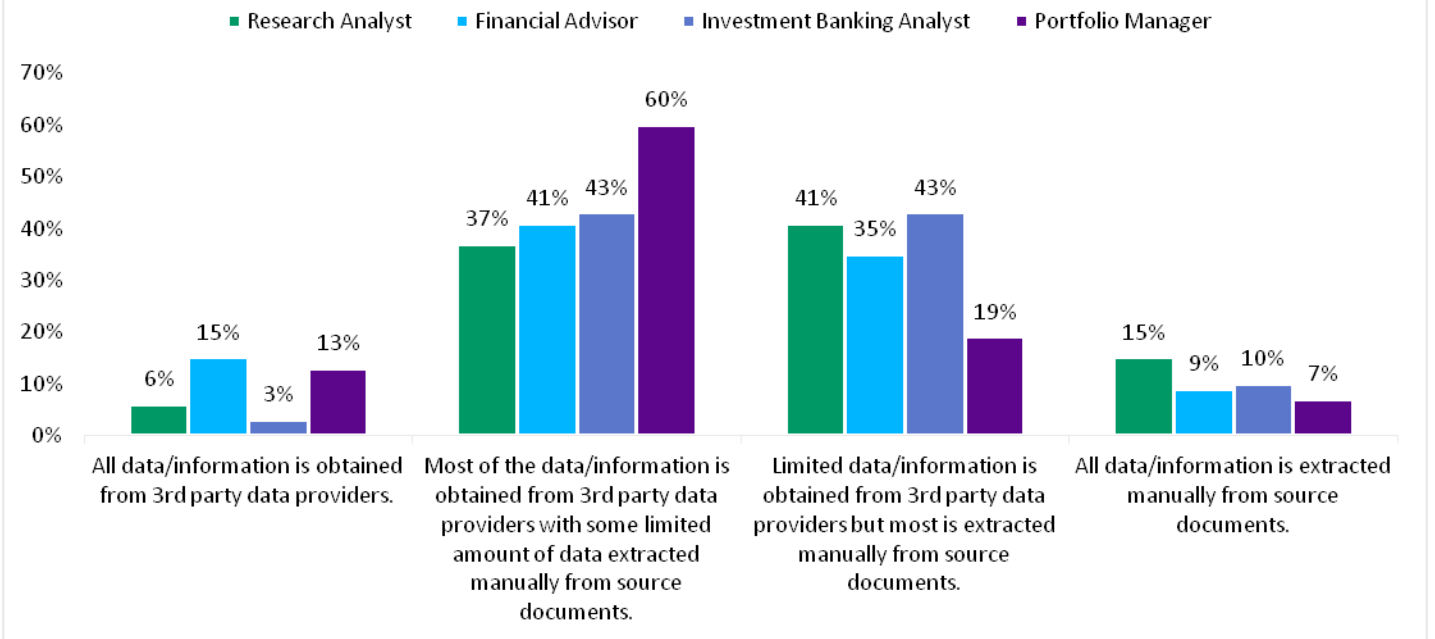
Question: Which of the following best describes how you obtain companies' financial data/ information used in your evaluation and analysis of their performance and valuation, and ultimately, make an investment decision? [Base: 342 members (Those who selected "Not applicable" are excluded)]

Importance of Different Sources of Information

Annual reports are considered the most important source document for respondents' analysis and evaluation, with 89% rating them as important. Periodic supplements/fact books, on the other hand, are the least important source, with only 43% of respondents rating them as important, although their importance has seen a steady increase since 2007. The proportions of respondents rating annual reports, interim reports, prospectuses for IPOs, and special event reports have all decreased slightly from 2011.

Importance of Different Sources of Information

Legend: ■ 2 & Not important 1   ■ 3   ■ 4 & Very important 5

Source	2 & Not important 1	3	4 & Very important 5
Annual reports - e.g., 10K filings	5%	6%	89%
Quarterly earnings releases	8%	15%	77%
Interim reports - e.g., 10Q filings	9%	17%	73%
Prospectus/registration statements for initial public offerings	21%	16%	63%
Special events reports - e.g., 8K filings	17%	28%	55%
Shareholder reports/proxy statements	27%	29%	44%
Periodic supplements/fact books	23%	35%	43%

Importance of Different Sources of Imformation, 2007–2016

Legend: 2007, 2009, 2011, 2016

Source	2007	2009	2011	2016
Periodic supplements/fact books	34%	37%	39%	43%
Shareholder reports/proxy statements	37%	41%	37%	44%
Special events reports - e.g., 8K filings	53%	61%	60%	55%
Prospectus/registration statements for initial public offerings	62%	66%	70%	63%
Interim reports - e.g., 10Q filings	75%	83%	82%	73%
Quarterly earnings releases	67%	79%	73%	77%
Annual reports - e.g., 10K filings	89%	94%	93%	89%

All results shown in the chart above are based on those who selected 4 and 5 Very important.

Question: On a scale of 1 to 5, 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. [Base: 338 members (excludes no opinion)]

The survey results show that shareholder reports/proxy statements are more important to members holding their CFA® charter for more than 10 years than to newer members holding their CFA charter for less than 10 years. Interim reports and prospectus/registration statements for IPOs tend to be more important to those with less than 10 years of charter age than to members with more than 10 years of charter age.
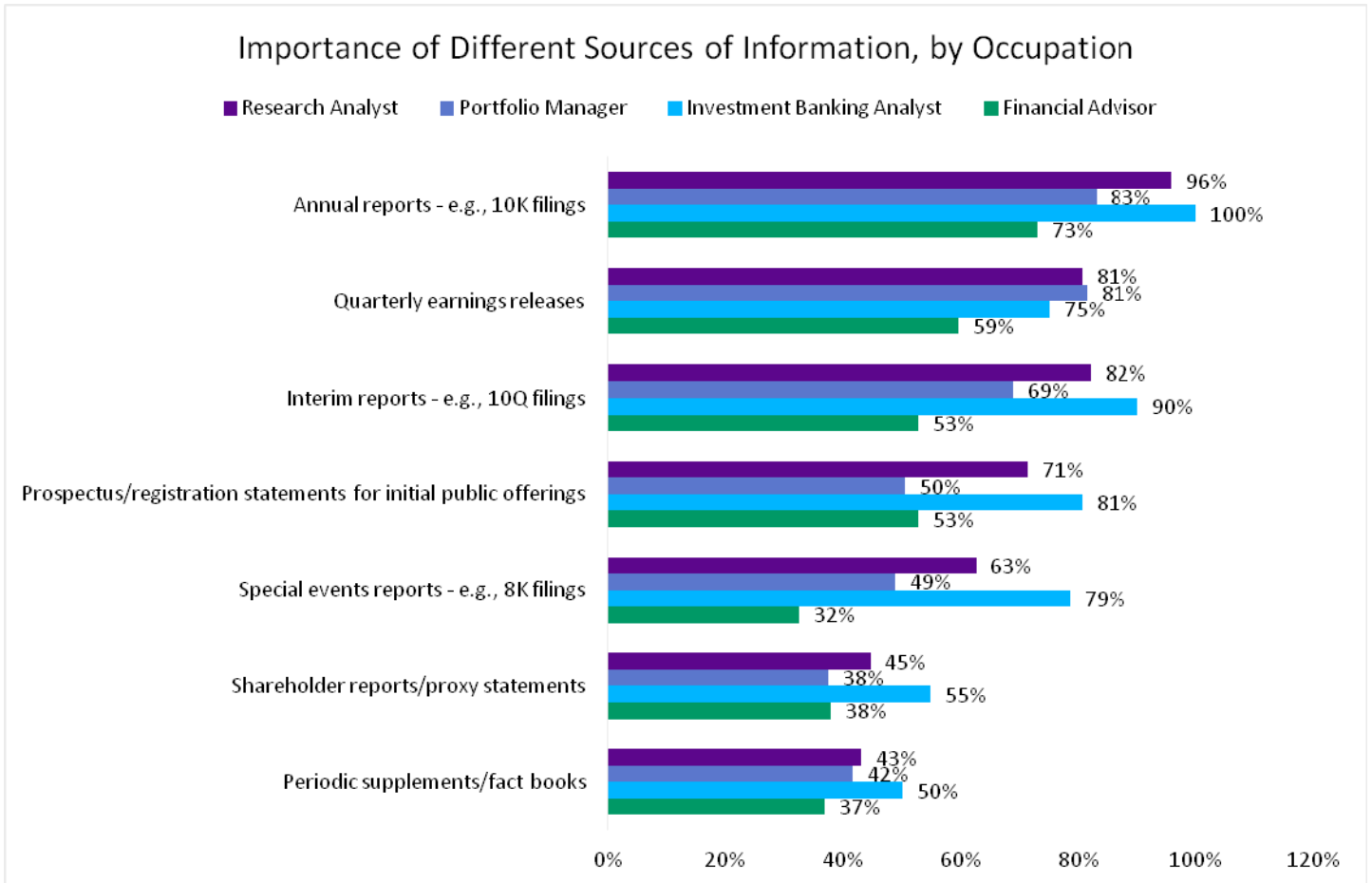
Importance of Different Sources of Information, by Occupation

■ Research Analyst ■ Portfolio Manager ■ Investment Banking Analyst ■ Financial Advisor

Source	Research Analyst	Portfolio Manager	Investment Banking Analyst	Financial Advisor
Annual reports - e.g., 10K filings	96%	83%	100%	73%
Quarterly earnings releases	81%	81%	75%	59%
Interim reports - e.g., 10Q filings	82%	69%	90%	53%
Prospectus/registration statements for initial public offerings	71%	50%	81%	53%
Special events reports - e.g., 8K filings	63%	49%	79%	32%
Shareholder reports/proxy statements	45%	38%	55%	38%
Periodic supplements/fact books	43%	42%	50%	37%

Question: On a scale of 1 to 5, 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. [Base: 338 members (excludes no opinion)]

Importance of Data Attributes or Characteristics

Reliability is considered the most important data attribute for respondents' analysis and evaluation of a company's financial condition and performance, with 77% of respondents rating it as very important. On the other hand, granularity is the least important attribute, with only 55% of respondents rating it very important.

Importance of Data Attributes or Characteristics
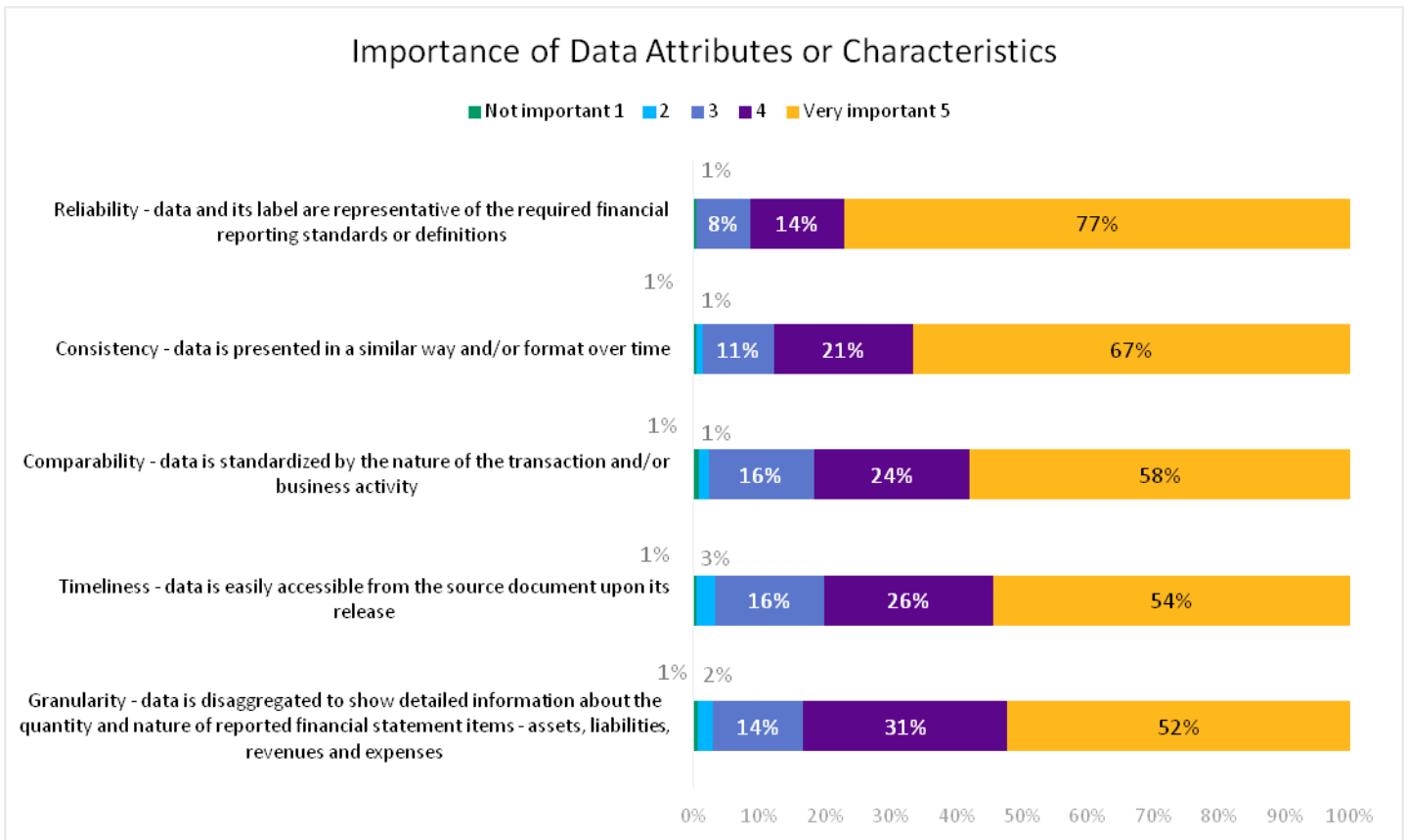
Question: On a scale of 1 to 5, please indicate the level of importance that each of the following data attributes or characteristics have to performing your analysis and evaluation of a company's financial condition and performance? [Base: 355 members (excludes no opinion)]

When compared with results in previous years' surveys, the importance of consistency and reliability has seen a steady but gradual decrease from 2007 to 2016.

Importance of Data Attributes and Characteristics, 2007–2016
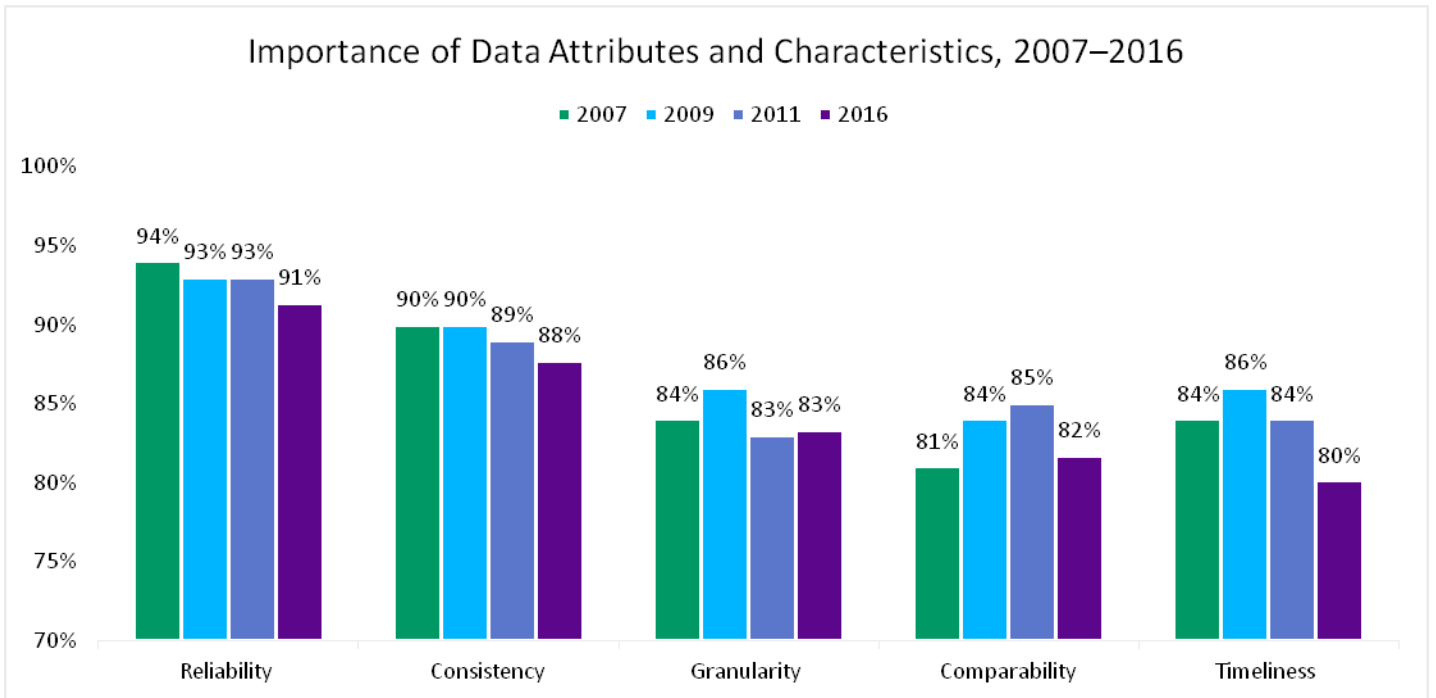
Use of XBRL-Tagged Information

The use of XBRL-tagged information is relatively more common when it comes to periodic reports, compared with special event reports and IPO prospectuses.
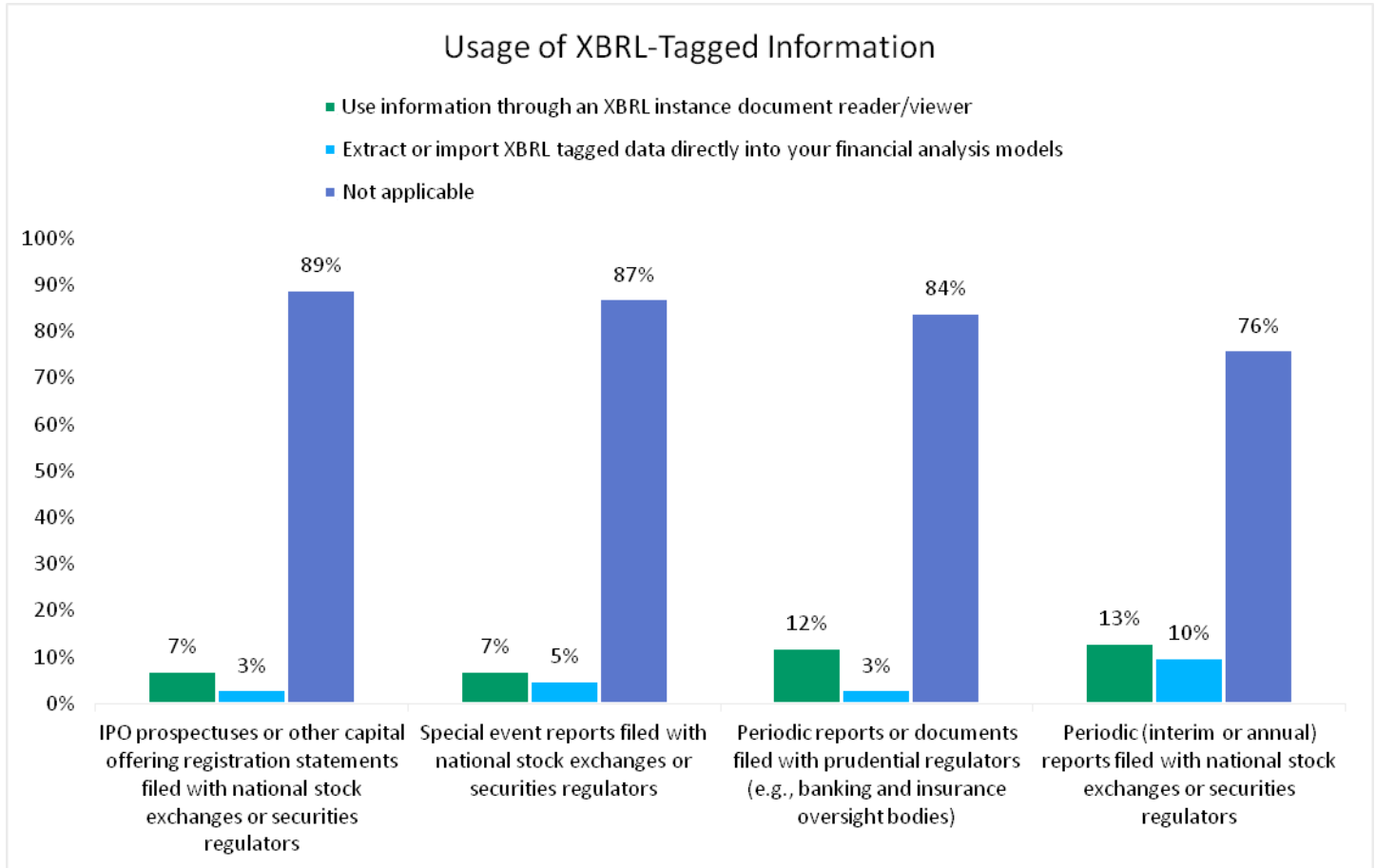
Question: Currently, several securities and prudential regulators have compulsory or voluntary programs that companies must or can submit XBRL tagged information for reporting purposes. Please indicate whether you currently use and/or extract XBRL tagged data from the following source documents by checking the appropriate box(es) below. (Base: 92 members who are aware of XBRL)

Impact of the Use of Tagged Interactive Data

Of those aware of XBRL, the highest proportions agree that XBRL-tagged interactive data will have the most significant improvement on their ability to increase the timeliness of the valuation process and upload company data into their financial analysis models.

Impact from the Use of Tagged Interactive Data

Legend: ■ No effect/improvement 1 and 2 ■ 3 ■ 4 and 5 significant effect/improvement

Category	No effect/improvement 1 and 2	3	4 and 5 significant effect/improvement
Increase the timeliness of the valuation process	16%	19%	66%
Upload company data into your financial analysis models	9%	25%	65%
Make comparisons between companies and/or industries	12%	34%	54%
Rely on the data used in your analysis	20%	29%	51%
Analyze companies' performance	20%	30%	50%
Access companies' data at a deeper level of disaggregation or granularity	17%	39%	44%
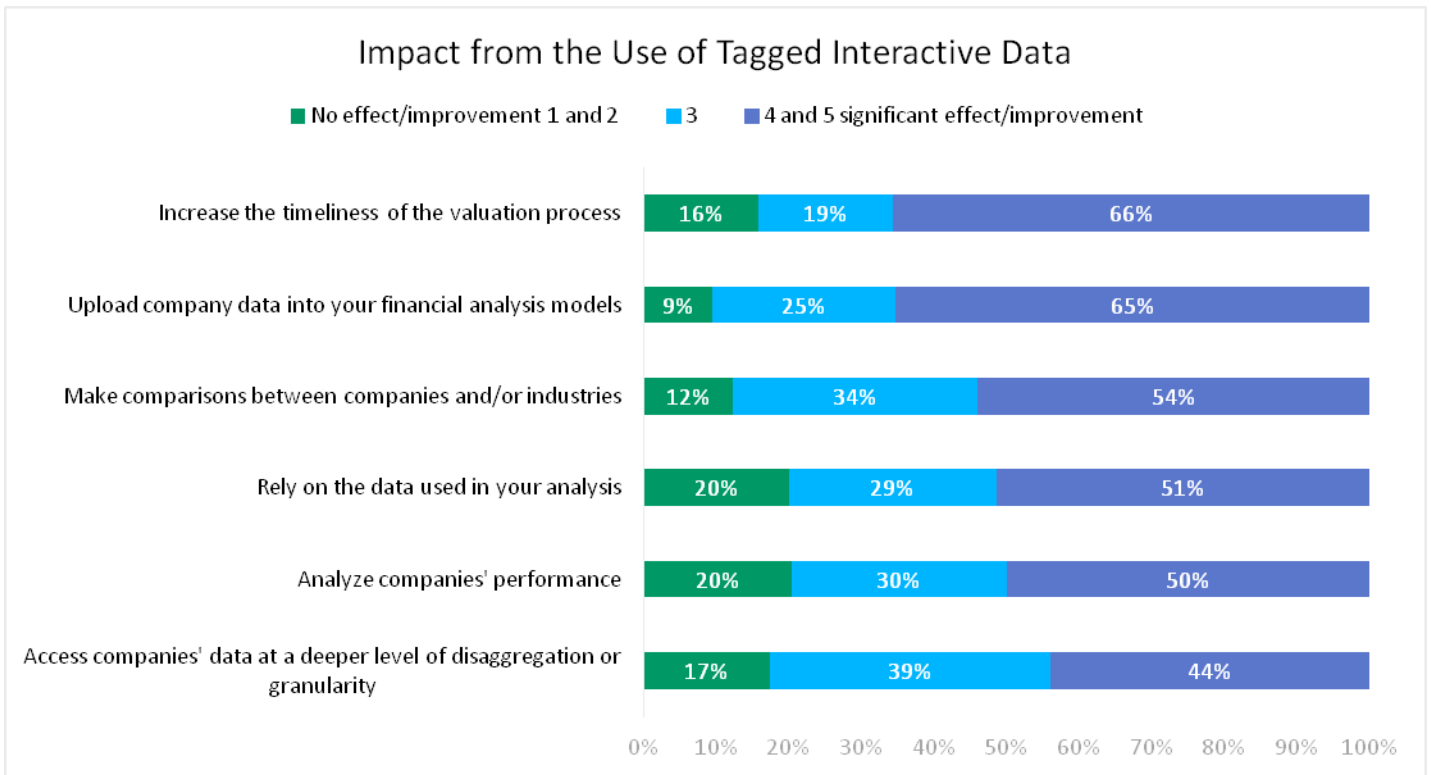
Question: Based on your understanding of XBRL, indicate how the use of XBRL tagged interactive data, which is computer readable, will most likely affect your ability to do the following: [Base: 73 members who are aware of XBRL (excludes no opinion)]

The proportion of respondents who think using tagged interactive data can improve the timeliness of the valuation process has continued to increase from 2007. But cross-company/industry comparison has benefited less from the use of tagged interactive data during the same period.

Impact from the Use of Tagged Interactive Data, 2007–2016

■ 2007 ■ 2009 ■ 2011 ■ 2016

Category	2007	2009	2011	2016
Access companies' data at a deeper level of disaggregation or granularity	54%	54%	54%	44%
Analyze companies' performance	59%	58%	59%	50%
Rely on the data used in your analysis	51%	52%	44%	51%
Make comparisons between companies and/or industries	68%	65%	64%	54%
Upload company data into your financial analysis models	70%	68%	66%	65%
Increase the timeliness of the valuation process	53%	54%	64%	66%

All results shown in the chart above are based on those who selected 4 and 5 significant effect/improvement
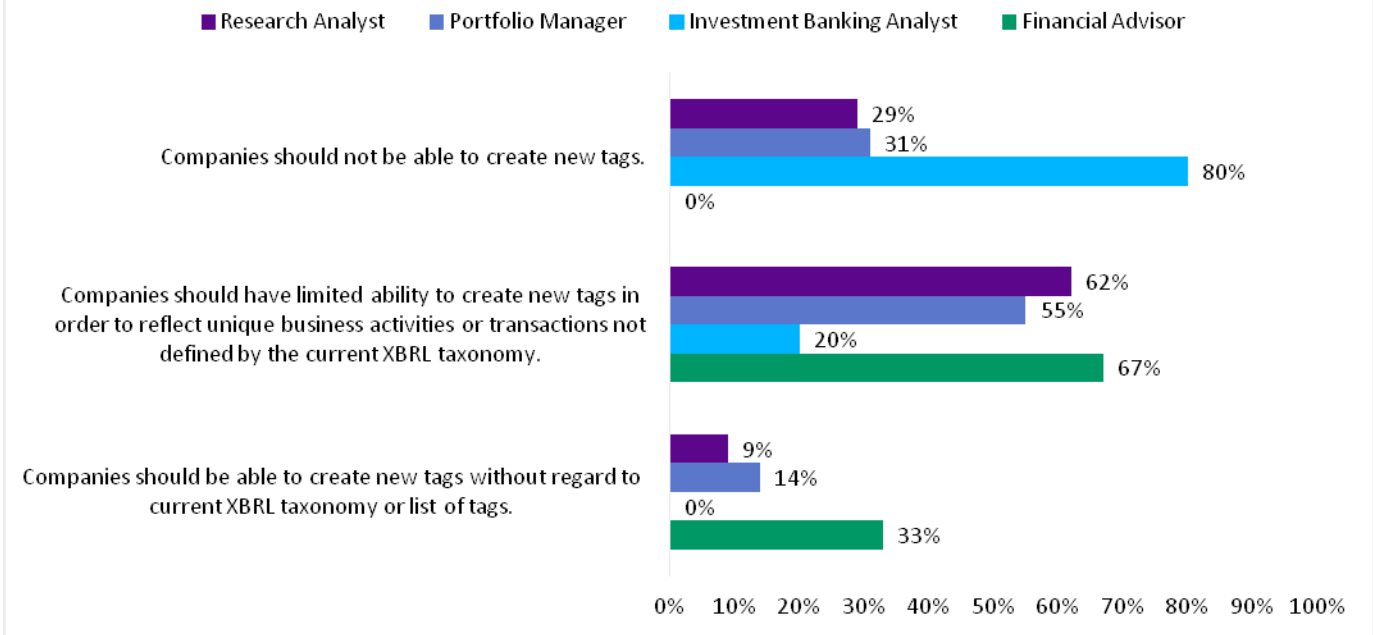
XBRL Extensions

Since 2007, members have become more likely to agree that companies should not be able to create new XBRL tags for financial reporting purposes, although the majority (56%) still think companies should have limited ability to create new tags.
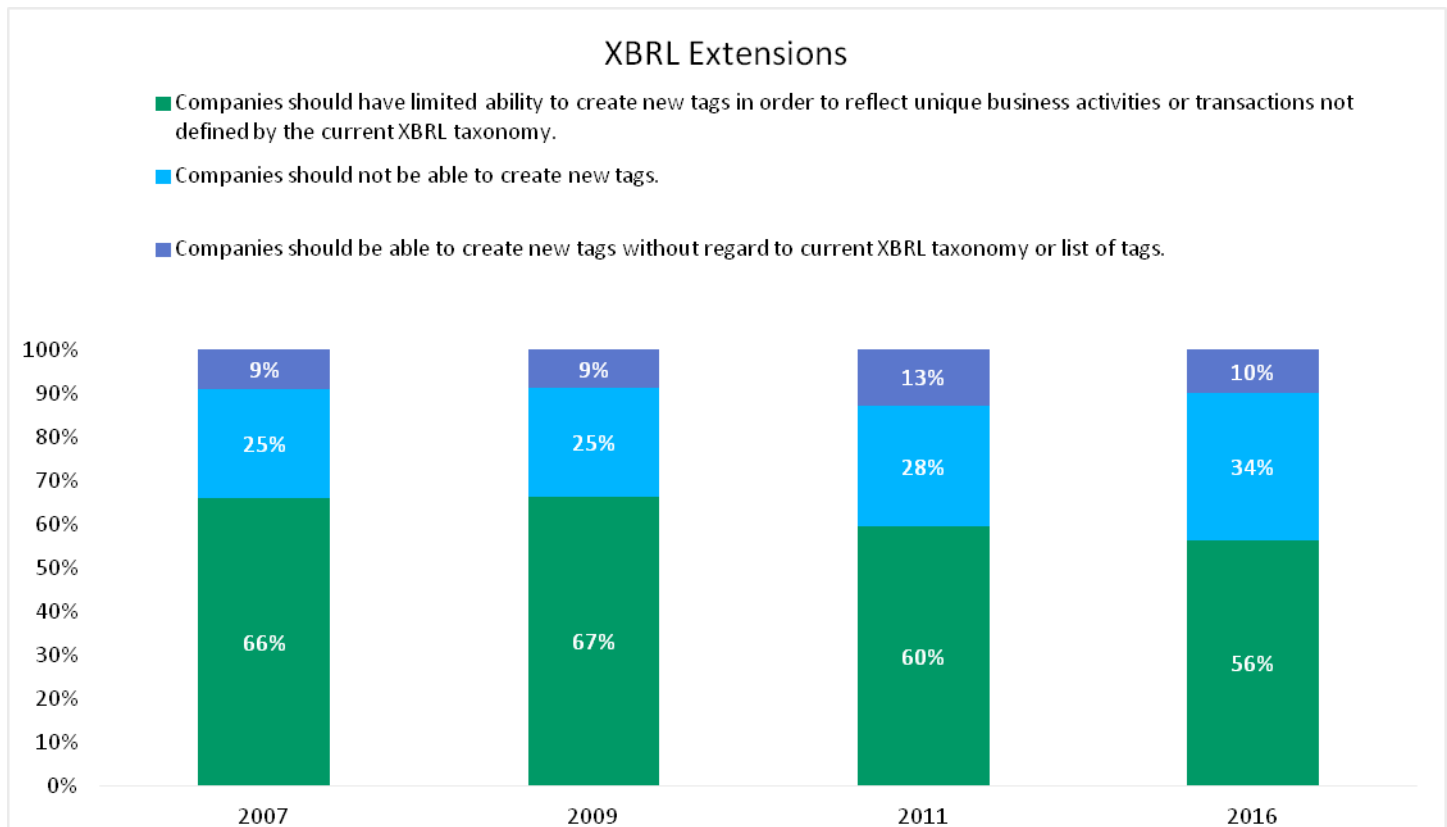
Question: The flexibility of XBRL structure allows data tags to be created by companies while preparing their financial reports. What should the protocol be to create XBRL data tags for financial reporting purposes? (Base: 98 members who are aware of XBRL)

XBRL Extensions, by Occupation

■ Research Analyst   ■ Portfolio Manager   ■ Investment Banking Analyst   ■ Financial Advisor

Companies should not be able to create new tags.
- 29%
- 31%
- 80%
- 0%

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.
- 62%
- 55%
- 20%
- 67%

Companies should be able to create new tags without regard to current XBRL taxonomy or list of tags.
- 9%
- 14%
- 0%
- 33%

Question: 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? (Base: 98 members who are aware of XBRL)

XBRL Comparability

Seventy percent of respondents who are aware of XBRL consider it important to individually tag all reported information, regardless of comparability (41% because doing so allows the user to determine the importance of the item to a fair valuation of the company and 29% because doing so will make it easier for data aggregators to integrate the information into their normalized databases).

XBRL Comparability

- No, data that is not comparable, does not add any value when tagged
- Yes, but only when the data is tagged as a block with the related discussion text
- Yes, individually tagging will make it easier for the data aggregators to integrate the information into their normalized databases
- Yes, individually tagging all reported information for a company allows the user to determine the importance of the item to a fair valuation of the company

Year	No	Block	Aggregators	Fair valuation
2016	13%	17%	29%	41%
2011	10%	12%	34%	45%
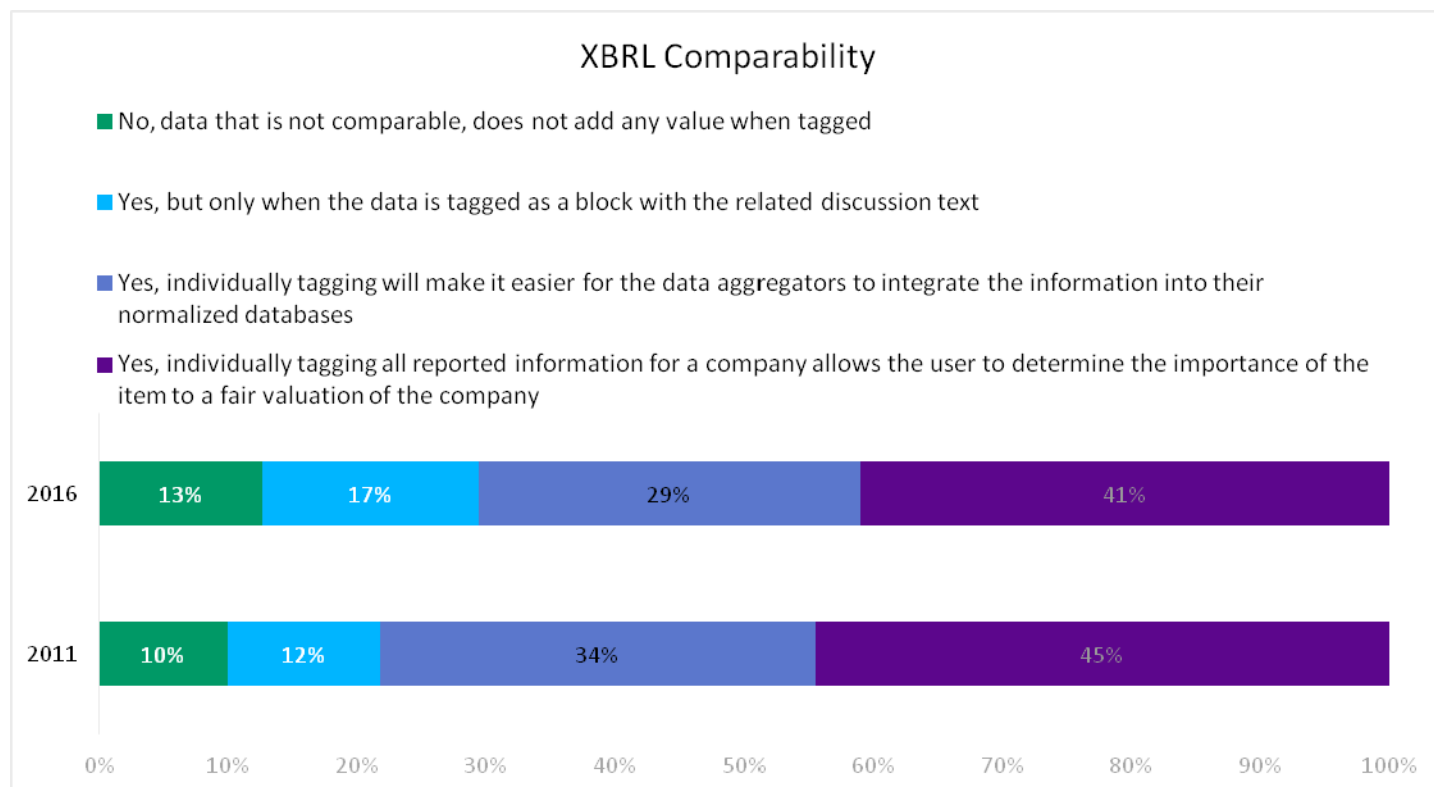
Question: Some company information may remain incomparable due to differences in classification or the intent of management that leads to company-specific extensions (e.g., disclosures included in the MD&A and the detailed note disclosures). Do you consider it important for companies to tag data that is not comparable to others within their industry? (Base: 98 members who are aware of XBRL)
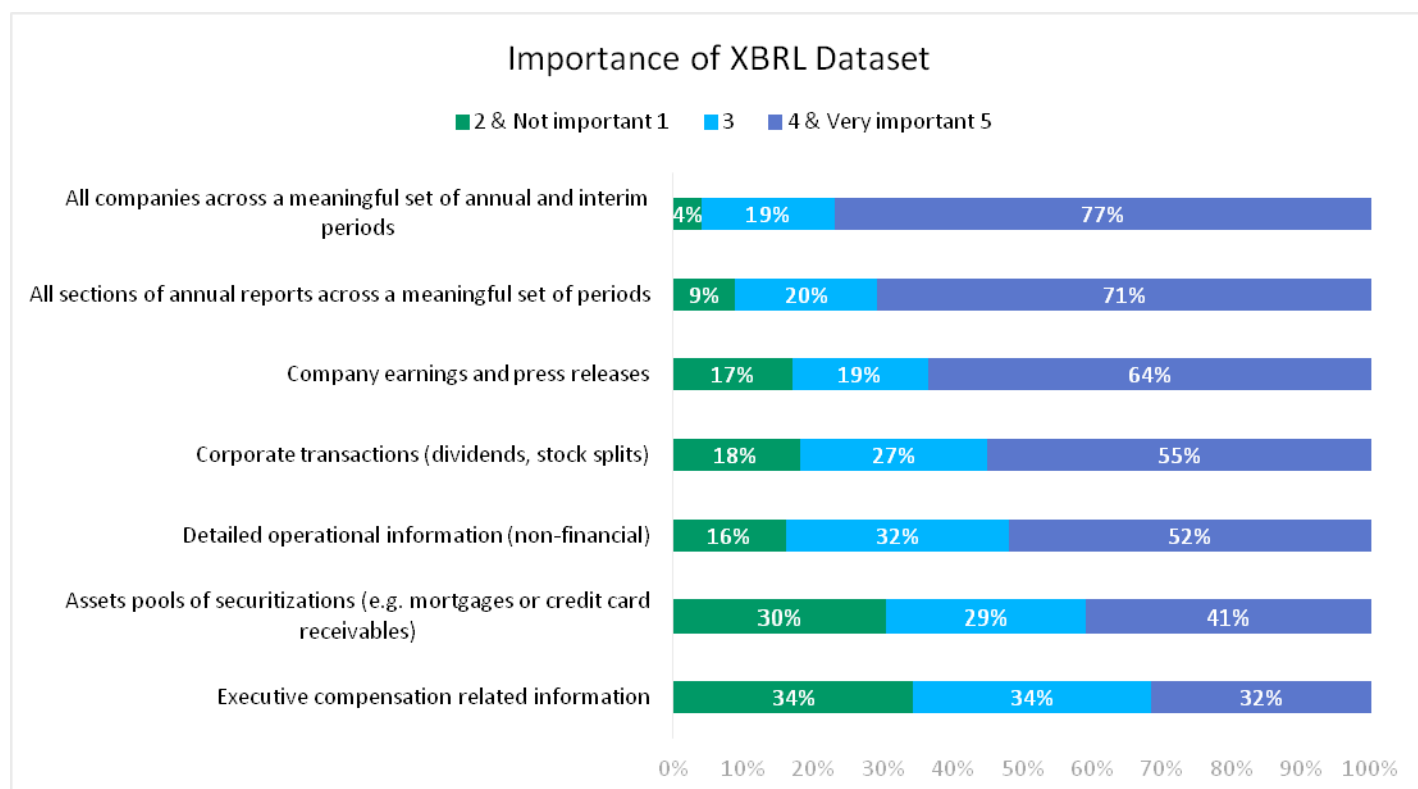
Audits of XBRL Data

Fifty percent of members who are aware of XBRL agree that the XBRL report should be incorporated into standard financial statement audit, similar to prior years.
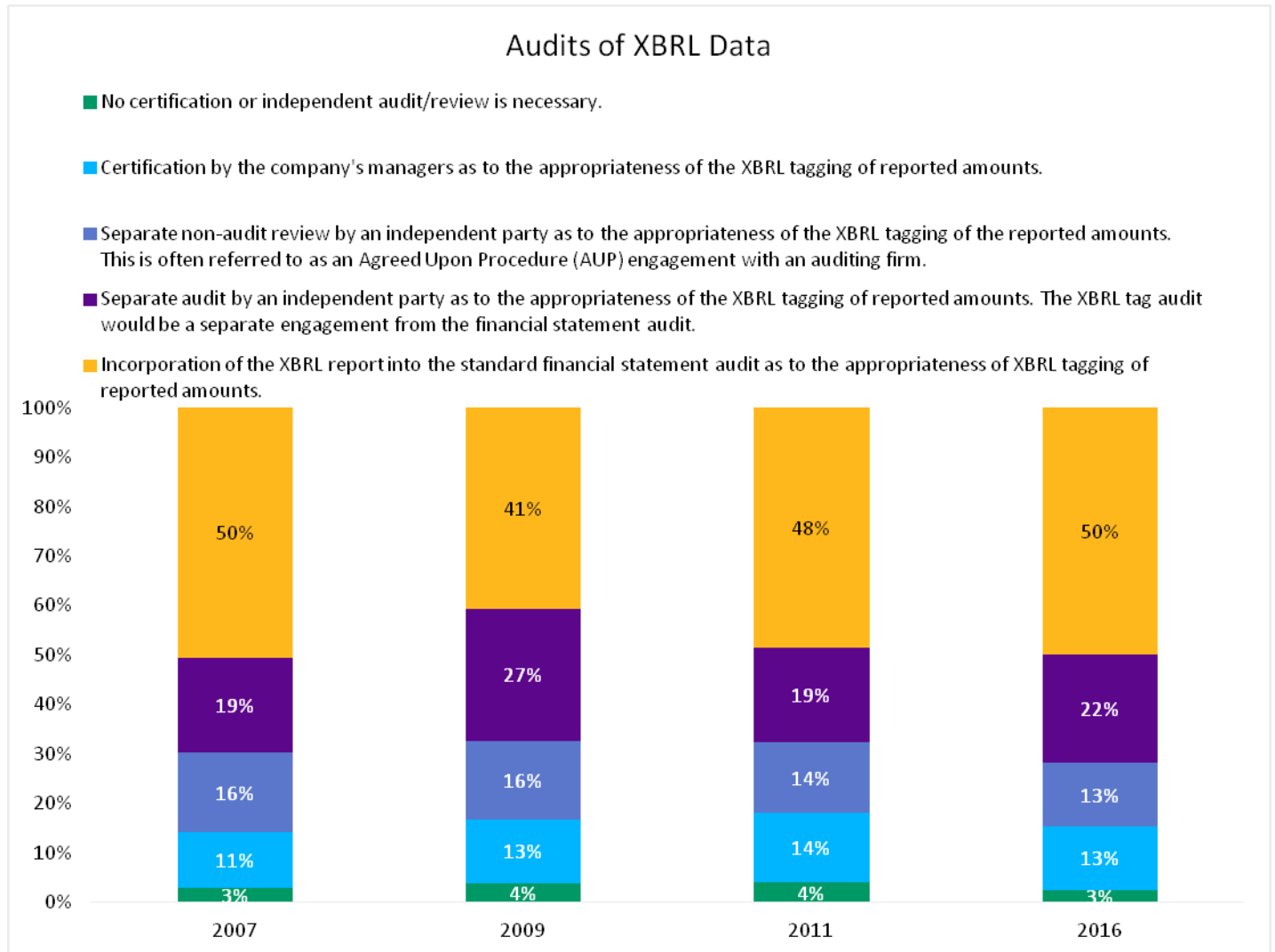
Question: What level of assurance is necessary to ensure that the proper XBRL tags are assigned to the reported amounts in accordance with GAAP defined tags? [Base: 97 members who are aware of XBRL (excludes no opinion)]
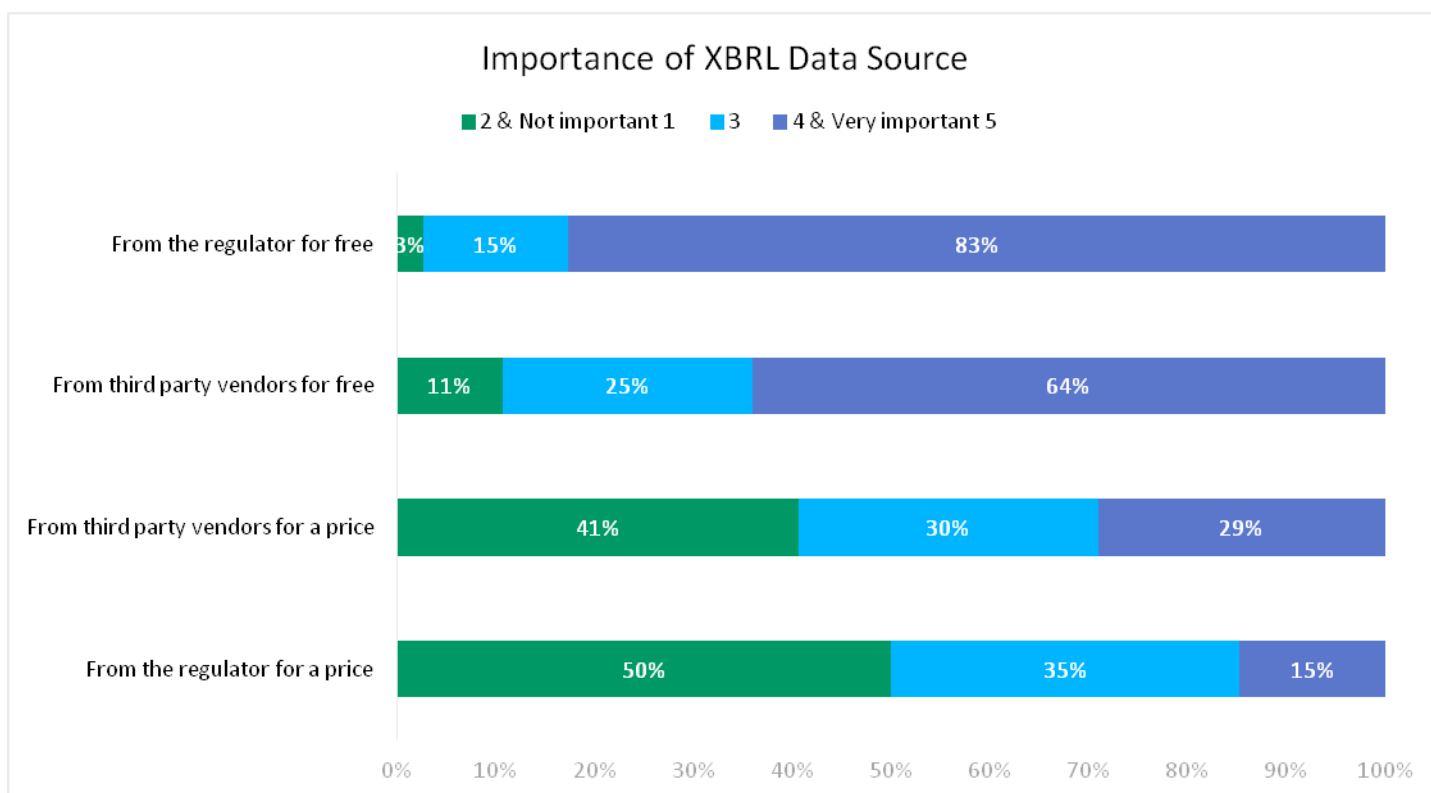
Importance of XBRL Dataset

Seventy-seven percent of respondents rated tagged information for all companies across a meaningful set of annual and interim periods as important for their use of XBRL filed information. Executive compensation–related information is considered the least important area when it comes to tagged information.

Importance of XBRL Dataset

Legend: ■ 2 & Not important 1   ■ 3   ■ 4 & Very important 5

Category	2 & Not important 1	3	4 & Very important 5
All companies across a meaningful set of annual and interim periods	4%	19%	77%
All sections of annual reports across a meaningful set of periods	9%	20%	71%
Company earnings and press releases	17%	19%	64%
Corporate transactions (dividends, stock splits)	18%	27%	55%
Detailed operational information (non-financial)	16%	32%	52%
Assets pools of securitizations (e.g. mortgages or credit card receivables)	30%	29%	41%
Executive compensation related information	34%	34%	32%

Question: On a scale of 1 to 5, please indicate the level of importance that each of the following have on your expected use of XBRL filed information. Tagged information available for: [Base: 97 members who are aware of XBRL (excludes no opinion)]

Importance of XBRL Data Source

Eighty-three percent of respondents who are aware of XBRL rated improved resources to import and/or analyze information as important to receive from the regulator for free. Sixty-four percent think it is important for third-party vendors to provide such resources for free.

Importance of XBRL Data Source

Legend: 2 & Not important 1 | 3 | 4 & Very important 5

Source	2 & Not important 1	3	4 & Very important 5
From the regulator for free	3%	15%	83%
From third party vendors for free	11%	25%	64%
From third party vendors for a price	41%	30%	29%
From the regulator for a price	50%	35%	15%

Question: On a scale of 1 to 5, please indicate the level of importance that each of the following have on your expected use of XBRL filed information. Improved resources to import and/or analyze information available: [Base: 94 members who are aware of XBRL (excludes no opinion)]

## New Information Requested from Third-Party Data Provider

Only 1% of the members who have used tagged information from third-party vendors note that they have seen or requested new information items from third-party data providers following the introduction of a regulatory XBRL-reporting initiative.

New Information Requested from Third-Party Data Provider

■ No ■ Yes

1%

99%
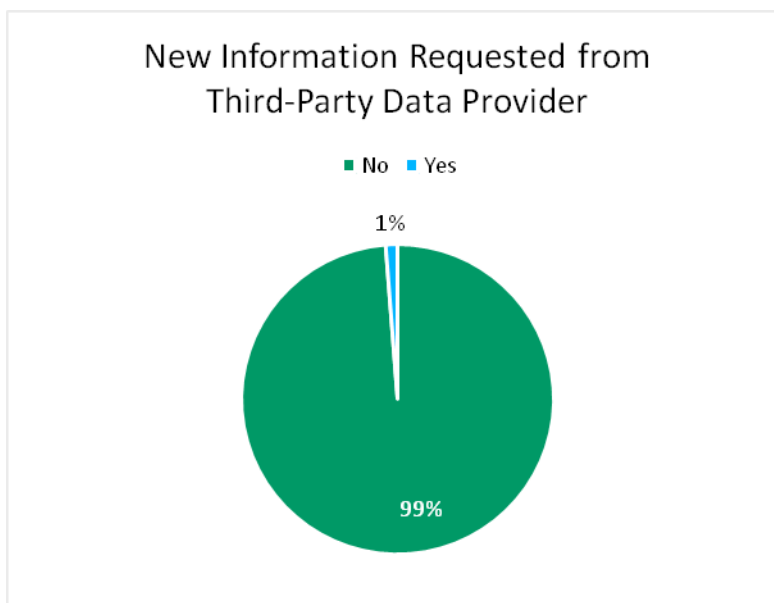
Question: Have you seen or requested new information items from third-party data providers following the introduction of a regulatory XBRL-reporting initiative? (Base: 81 members who have used tagged information from third-party vendors)

Use of Tagged Information under XBRL Requirement by Regulators

Of members who are aware of XBRL, 79% are currently using information filed under an XBRL requirement by a regulator in the United States.
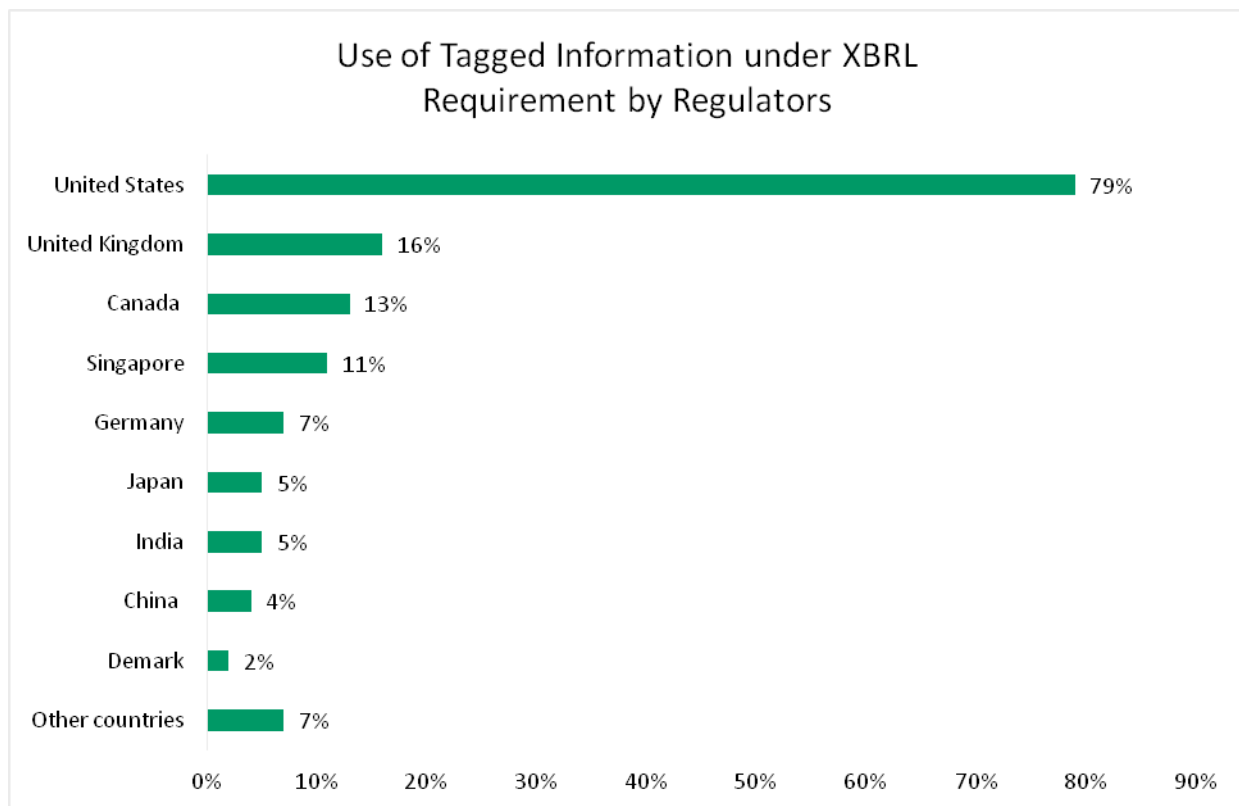
Question: Please list all countries from which you are currently using information that was filed under an XBRL requirement by a regulator. (Base: 56 members who are aware of XBRL)

Response Rate by Demographics

	Invited	Responded	Response Rate
Academic – Business, Academic – Economics, Academic – Finance	436	17	3.9%
Credit Analyst	227	5	2.2%
Financial Adviser	2647	39	1.5%
Investment Banking Analyst	2170	32	1.5%
Portfolio Manager	11639	139	1.2%
Research Analyst	7881	126	1.6%

	Invited	Responded	Response Rate
AMERICAS	15706	215	1.4%
ASIA PACIFIC	4113	58	1.4%
EMEA	5180	85	1.6%

Country	Invited	Responded	Response Rate
USA	12655	168	1.3%
CANADA	2676	37	1.4%
UNITED KINGDOM	2116	21	1.0%
HONG KONG	1015	6	0.6%
CHINA	752	12	1.6%
SINGAPORE	587	6	1.0%
SWITZERLAND	504	9	1.8%
AUSTRALIA	469	6	1.3%
GERMANY	455	8	1.8%
INDIA	344	6	1.7%
SOUTH AFRICA	321	9	2.8%
JAPAN	210	2	1.0%
FRANCE	187	3	1.6%
NETHERLANDS	185	3	1.6%
BRAZIL	179	3	1.7%
KOREA	169	1	0.6%
UNITED ARAB EMIRATES	151	3	2.0%
MALAYSIA	143	4	2.8%
SPAIN	105	2	1.9%
Other countries	1777	49	2.8%

CFA Charterholder Status	Invited	Responded	Response Rate
Charterholder	23861	317	1.3%
Non-charterholder	1139	41	3.6%

Charter Age Range	Invited	Responded	Response Rate
2–5 years	2522	94	3.7%
6–10 years	2168	42	1.9%
11–15 years	4928	50	1.0%
16–20 years	2775	38	1.4%
< 2 years	6596	61	0.9%
> 20 years	5027	38	0.8%
No Charter	984	35	3.6%

Primary Asset Base	Invited	Responded	Response Rate
Both	3224	42	1.3%
Institutional	9360	90	1.0%
N/A	5666	95	1.7%
Private	6748	130	1.9%