XBRL
Survey Report

February 2008

Table of Contents

Introduction

Executive Summary

Survey Questions in Review

Profile of Survey Respondents

Exhibit A - Survey Methodology and Response Rate

Introduction

The CFA Institute Centre for Financial Market Integrity (the CFA Institute Centre)[1] provides regular commentary on the work of national and international accounting standard setters and capital market regulators through written comment letters, participation in public discussion round-tables, and informal input. As part of the CFA Institute Centre's due process for formulating positions, it seeks the views of those CFA Institute members who are the "end users" of financial statements and disclosures, e.g., investment analysts, portfolio managers, and/or investment advisors.

With headquarters in Charlottesville, VA, and regional offices in New York, Hong Kong, and London, CFA Institute is a global, not-for-profit professional association of more than 94,000 investment analysts, portfolio managers, investment advisors, and other investment professionals in 130 countries, of whom more than 80,000 hold the Chartered Financial Analyst® (CFA®) designation. The CFA Institute membership also includes 135 member societies in 56 countries and territories. In deciding upon new initiatives, the CFA Institute Centre looks to address changes which impact CFA Institute members from most if not all of those 130 countries.

Why XBRL?

A new technology, eXtensible Business Reporting Language (XBRL), is becoming the standard for delivering business financial information to regulators around the world. Expanding on the extensible markup language (XML) features, XBRL provides a methodology for companies to tag the individual data items in their reports. These tags are combined to create a computer readable document containing the required financial reports of the regulator. As a standard, XBRL is intended to impact business reporting similarly to how HTML (Hyper-text Markup Language) transformed internet pages. Users will not need to understand how it works; they just understand it makes information easier to access.

The backbone of any XBRL platform is the list of reporting elements (or tags) required by the regulatory literature. This list or taxonomy is typically based on the accepted accounting standards, but can also include additional disclosures. A filing company applies a specific tag to the individual values in the report based on the items definition. In instances where the company's reporting includes additional granularity or specificity, the core taxonomy can be extended to reflect the necessary values. The company defined extensions complement the core taxonomy, allowing the delivery of a full and accurate depiction of the company's operations.

Users of financial information receive several benefits from a move to an XBRL reporting platform. First, since the filing is a computer readable document, user applications allow for the direct importing of new data into analytical models. Improvements in the timeliness of information represent a step forward in leveling the playing field of information distribution. Combining timeliness with a decrease in errors from third-party vendors or others re-keying the data within the firm further supports the move to XBRL.

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[1] The CFA Institute Centre for Financial Market Integrity is part of CFA Institute.

Secondly, the process of tagging the data by the company could increase both the depth and comparability of information. With the core taxonomy grounded in GAAP, the tags used for the common fields provide a base level of comparability between reports and companies. Company specific extensions grant users the detail necessary to understand the differences that may exist. The balancing of these aspects remains a concern for investment professionals as many XBRL initiatives move closer toward adoption.

Seeking Input from CFA Institute Membership

Over the past several years, CFA Institute has conducted surveys of members regarding the importance and quality of financial reporting and disclosures provided by publicly traded companies. Corporate disclosure and communication surveys were conducted in 1999 and 2003, and other recent surveys have focused on specific financial reporting areas, such as stock options, quarterly reporting, and auditors' independence.

In response to an inquiry in the May 2006 issue of the monthly member e-newsletter from the CEO of CFA Institute, respondents revealed a general lack of awareness about XBRL. Yet those members already informed on the topic did express support for CFA Institute adding XBRL to its list of advocacy efforts. This prompted the development of a volunteer working group through the CFA Institute Centre[2]. One of the mandates of this group was to conduct a CFA Institute member survey on XBRL.

The Financial Sources and XBRL Survey (XBRL Survey) was conducted over a three-week period in June-July 2007. Approximately 10,000 CFA Institute members were selected randomly from a targeted group and invited to participate. The criteria for targeting those members were their self-identified professional profile as held in the organization's database at the time of the survey. Specific job positions were selected based on the likelihood of professionals in those positions using financial statements and related note disclosures to make investment decisions and/or provide investment advice to their clients or other interested parties.

The results of this survey will help inform input provided to regulators and standard setters in response to proposed frameworks and applications of XBRL in delivering financial reports. In particular, this input will be communicated to the U.S. Securities and Exchange Commission (SEC) and other XBRL jurisdictions on their current XBRL development projects. The results also will provide guidance as the CFA Institute Centre develops a position paper outlining the requirements of an XBRL system to achieve optimum accessibility and functionality for investors.

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[2] Additional information concerning the XBRL Working Group is available online - http://www.cfainstitute.org/centre/overview/councils/xbrl/index.html

Executive Summary

The CFA Institute Centre conducted the XBRL Survey of CFA Institute members to gauge the current level of investment professionals' awareness of XBRL technology and its application for delivering financial reports and other disclosures to end users. In addition, members were asked to indicate the level of importance for certain data attributes and information sources, and how they obtained information about the companies they analyze and ultimately, invest in.

On 12 June 2007, an e-mail invitation to a sample of CFA Institute members was distributed through InstantSurvey[3], inviting them to participate in the web-based survey. One follow-up reminder was sent to non-respondents part way through the open period, and then the survey closed at midnight (Pacific Standard Time) Tuesday, 3 July 2007. Of the 9,992 survey invitation e-mails sent, 9,564 were successfully delivered. A total of 864 valid survey responses were received, for a response rate of 9.03 percent. (**Exhibit A** provides more information about the survey methodology and selection of survey recipients.)

Survey Design

The survey was designed specifically to gain a better understanding of members' general information preferences and needs for performing investment analysis and evaluation of a company's financial condition and performance. Given the low level of XBRL awareness noted in a two-question member questionnaire in May 2006, a qualifying question was asked so as to gather informed feedback on specific areas of XBRL design and applications. By eliminating those unaware of XBRL from the responses to the final questions, the results provide more analytical substance.

The survey was divided into three distinct areas.[4]

Profile of Respondents: Questions 1 through 4 sought additional information about each respondent to complement the information uploaded from the CFA Institute membership database: current job position; frequency of research and analysis of publicly-traded companies; geographic regions of companies they track and analyze; and analytical techniques applied. Responses to these questions were used to perform cross-sectional analyses with responses to other questions.

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[3] InstantSurvey is a product of GMI (Global Market Insite, Inc.) focused on providing online research solutions to those interested in managing the research process themselves.

[4] The original XBRL survey questionnaire is available online at:
http://www.cfainstitute.org/centre/topics/reporting/pdf/xbrl_survey.pdf

General Information: Questions 5 through 8 focused on respondents' preference for information sources, their views relating to data attributes, and their methods for obtaining information. Responses to these questions were used to understand the degree to which information is manually extracted versus the use of third-party data providers, to gauge the importance placed on certain corporate financial reports and disclosures, to study the importance of key data attributes, and why those attributes are important to investors in the decision-making process.

XBRL Specific: Question 9 was used to identify those respondents with some level of familiarity with XBRL. Respondents indicating no awareness or familiarity with XBRL exited the survey at this question and were directed to the CFA Institute Centre's web pages about XBRL. Those respondents indicating some level of awareness proceeded to questions 10 through 16, which focused on areas specific to XBRL and its application in delivering financial reports. This set of questions sought respondents' views on the potential impact of XBRL on their ability to perform investment analyses and current use of XBRL tagged reports. In addition, respondents were asked about:

❖ Their suggested level of flexibility for creating company-specific XBRL tags and the need for guidance or protocol for creating such tags;

❖ Their perceived level of importance in knowing the nature and/or orientation of XBRL tagged data; and

❖ Their belief in the importance of having global convergence of XBRL taxonomies used in delivering financial reports and other related disclosures.

Survey Highlights

Profile of Respondents:

❖ The largest group of respondents identified themselves as holding positions involving portfolio management (27 percent) and "buy-side" investment analysis (24 percent).

❖ Buy-side investment analysts indicated the highest frequency in performing regular and recurring analyses of companies as part of their primary responsibilities.

❖ Respondents' primary regions of investing included the United States (72 percent), Continental Europe (36 percent), Canada (30 percent) and the United Kingdom (29 percent). More than half of those responding invest in multiple regions.

❖ Both the total respondent pool (88 percent) and those aware of XBRL (83 percent) use a thorough fundamental company analysis as their primary investment technique.

General Information:

❖ Respondents use a comprehensive data set to analyze and evaluate investment opportunities; the income statement, cash flow statement, and balance sheet were essentially rated at the same level of importance. (These results are similar to those gathered from surveys conducted in 1999 and 2003.)

❖ Along with the required interim and annual filings, respondents also graded company earnings releases with a meaningful level of importance to the evaluation process (**3.9** of 5)

❖ The quality of information is of great importance as well, and in particular **reliability—** meaning that the data and its labels are representative of the required financial reporting standards and definitions (**4.7** of 5)—and **consistency—**meaning that the data is presented in a similar way and/or format over time (**4.5** of 5)—both ranked highly.

❖ Respondents obtain information with varying levels of direct access and extraction, from source documents to third-party data providers.

XBRL Specific:

❖ There is a low level of awareness about XBRL and its application in financial reporting (**41 percent** of 858 respondents are "aware"; only **9 percent** claim an "up-to-date" awareness).

❖ A limited number of respondents (**less than 10 percent** of 354) have first-hand experience with using XBRL-tagged data.

❖ The most potential for improvement is seen in respondents' ability to upload company data into financial analysis models and to make comparisons between companies and/or industries.

❖ Companies should have limited to no ability to create new tags and should use the tags as predefined by current financial reporting standards (**91 percent** of 237 respondents).

❖ A specified approach or protocol should be used if companies are permitted to create company-specific XBRL tags (**96 percent** of 216 respondents).

❖ Some level of independent assurance is necessary to ensure the proper tagging of reported amounts (**80 percent** of 238 respondents).

❖ The ability to identify which data have been restated or changed from previously reported data is considered most important (rated **4.2** of 5 by 293 respondents).

❖ Most respondents indicate that global convergence of taxonomies is important (**40 percent** of 264 respondents thought it to be very important).

Key Principles for XBRL Framework

The survey results highlight the need to develop a structure or framework for using XBRL tags to deliver companies' financial reports and disclosures. The CFA Institute Centre's XBRL Working Group focuses on several **key principles**, which are important to all XBRL frameworks.

1. Core taxonomy (or structure of tagging elements) should be predefined by current financial reporting standards, including generally accepted accounting principles and other regulatory disclosure and reporting requirements.

2. Taxonomy extensibility should maintain the level of data comparability as defined by current financial reporting standards.

3. Ultimately, companies should deliver required financial reports to regulators using the established XBRL framework.

4. The general public should have equal access to the XBRL-tagged information.

5. Regulators should develop the necessary infrastructure and protocol to ensure the timely updating of the established XBRL framework as outlined in the preceding four key principles.

The survey results shed additional light on the expectations of the investment community in achieving these principles.

1. Core taxonomy predefined by current financial reporting standards

Deep and robust taxonomies allow analysts to navigate the detailed disclosures with ties back to the primary reported values. As indicated by the importance respondents placed on the data attributes in question 8, including consistency and comparability, XBRL provides a delivery structure that improves the basis of conducting fundamental evaluations. With references back to standards and definitions, users of financial information can determine the relevance of the field to their model.

To date, XBRL frameworks center primarily on financial reporting according to certain GAAP or regulatory requirements. Given the importance respondents attach to registration statements, and the start of voluntary filing of mutual fund risk/return information using XBRL to the U.S. SEC, there appears to be demand for taxonomy development in additional non-GAAP areas for many systems. If XBRL is to be considered a complete resource, it will address all discreet disclosure requirements of the securities market, accounting and prudential regulators.

XBRL taxonomy will need to keep up and reflect updated requirements as accounting standards converge. As suggested by the results from question 16, until a single standard is achieved, only comparable measurements should be identified with the same tags. Tags for different items may possess the same display names, but the associated links to the accounting literature should remain separate. Once standards have converged, comparisons across a variety of cultures will be easier using XBRL-tagged data.

2. Taxonomy extensibility maintains data comparability defined by current standards

With 91 percent preferring a limit to or elimination of company-specific extensions, the survey results clearly indicate the respondents' desire for consistent data in an XBRL framework. Offering a robust core taxonomy reflecting complete accounting and regulatory requirements in the first place would address, perhaps even remove, the need to add company-specific extensions. Then, company-specific extensions could be used to provide further clarification of the company's unique operations and address the importance given to 'granularity' in question 8. The use of extensions will require constant review as additional XBRL reporting projects move forward globally.

By addressing the levels of the core taxonomy that are extensible, and describing the differences between the use of new extensions and changes to the presentation text of an approved tag, regulatory guidance should increase the direct comparability of the reported information. While certain technological aspects may require the creation of company-specific extensions or taxonomies, the organization requiring the XBRL tagged information should clearly define the criteria for determining when added extensions are necessary. Survey results indicate that minimizing the use of company-specific additions should remain a prime goal of all established XBRL frameworks.

3. Companies deliver reports to regulators using established XBRL framework

As the XBRL instance document becomes the primary information source for investment professionals' models, XBRL tagged data should undergo a level of review equal to that of the current paper, or electronic paper, reports. With 80 percent of respondents to question 14 indicating a preference for the audit or review being conducted by an outside party, one can understand why reliability was given an importance ranking of 4.7 out of 5 in question 8. The integration of XBRL into the standard reporting process will take some time, and the appropriate assurance steps will be developed during that transition.

With the delivery of financial reports in a computer-readable format, the amount of time between a company's filing and an analyst's use of the information for analysis decreases. Question 5 clearly showed that different groups of investment professionals access information differently: third party versus direct documents. The electronic processing of XBRL filings will take less time than either of those processes. Reporting under a XBRL framework will enable analysts to improve their use of the wealth of information resources available to analyze companies and industries.

4. General public equal access to XBRL-tagged information

As just discussed, respondents prefer XBRL frameworks to benefit both the individuals who extract data directly from company filings and those who use third-party aggregators. In the latter group, users could expect additional details and increased accuracy from their suppliers.

Addressing survey respondents' concerns about reliability and accuracy with XBRL—while developing additional analytical applications—will be key aids in improving the investment community's understanding of, and appreciation for, its benefits. XBRL potentially improves the workflow for all types of financial professionals, through both the increased ease of data extraction from primary documents and decreased error rates from data providers.

The low response rate to the XBRL focused question may be attributed to the limited redistribution of tagged filings and low participation in voluntary programs. As the focus in many jurisdictions turns away from the collection-side of tagged information, these rates should increase, especially once additional software becomes available and promotional campaigns about the use of XBRL are aimed at investors.

5. Regulators develop infrastructure and protocol to ensure updating of XBRL framework

Though not addressed directly through the survey results, no XBRL framework or taxonomy should be considered "complete" by the regulator. The organization should continue to monitor for changes in global XBRL standards and technology. Also, adjustments to the core taxonomy will be required as updates to regulations are made and to reflect the inclusion of similarly added company-specific extensions. XBRL and computer-readable filings are just the next step in the evolution of the delivery of financial information.

Survey Questions in Review [5]

Question 5: 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? (Select one.)

- ☐ **All data/information is extracted manually from source documents**
- ☐ **Limited data/information is obtained from 3rd party data providers but most is extracted manually from source documents.**
- ☐ **Most of data/information is obtained from 3rd party data providers with some limited amount of data extracted manually from source documents.**
- ☐ **All data/information is obtained from 3rd party data providers.**
- ☐ **Not applicable.**

n = 811

All data from 3rd
party data providers
11%

All data extracted
manually
18%

Most data from 3rd
party data providers
37%

Most data extracted
manually
34%

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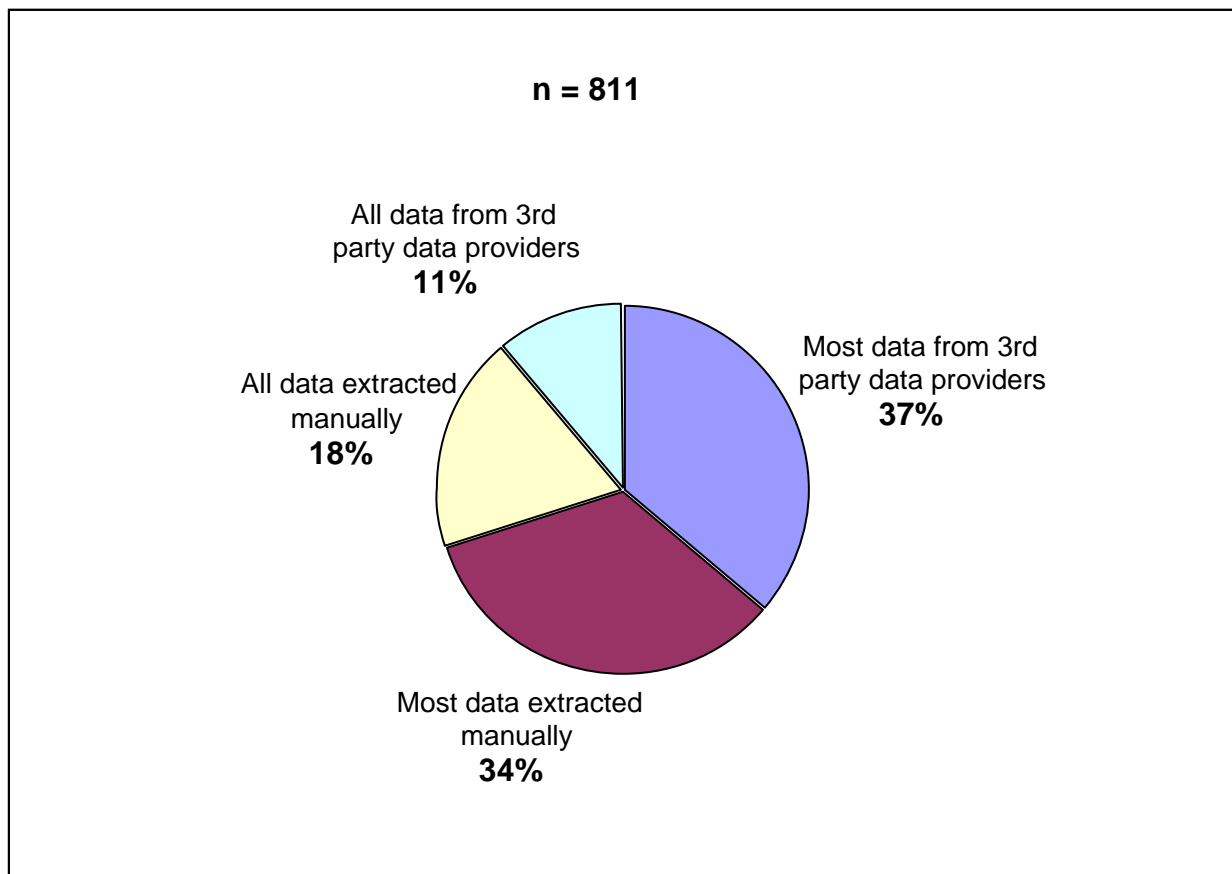
[5] Survey results and percentages represent those respondents who expressed an opinion and answered the question by selection from one or more of the items if applicable. If respondents answered the question by selecting "no opinion" or "not applicable," those responses were not included in the survey results presented in this report.

Analysis by Job Position

Respondents turn to multiple sources for the data they require to perform investment evaluations: 71 percent of 811 respondents indicated the combined use of both company-filed source documents and third-party data providers. When analyzing the results as related to the respondents' job position, a trend appears in the use of third-party information. Fund and portfolio managers, advisors to private clients, and academics obtain most or all information from third-party data providers. Investment analysts (buy-side and sell-side) placed a greater reliance on the source documents.

Higher and Lower than Total %	Total %	Fund manager or portfolio manager	Investment advisor to private clients	Academic	Investment analyst – buy side	Investment analyst – sell side	Corporate investment manager or officer	Other
N (excludes not applicable)	811	214	76	28	200	69	63	161
Most of the data is obtained from 3rd party data providers	37%	46%	39%	47%	32%	17%	36%	35%
Limited data is obtained from 3rd party data providers	34%	26%	30%	25%	41%	48%	41%	29%
All data is extracted manually from company source documents	18%	14%	16%	7%	18%	29%	13%	27%
All data is obtained from 3rd party data providers	11%	14%	15%	21%	9%	6%	10%	9%
Most to all data obtained from 3rd party data providers	48%	60%	54%	68%	41%	23%	46%	44%
Most to all data extracted manually from company source documents	52%	40%	46%	32%	59%	77%	54%	56%

Analysis by Frequency of Research

57 percent of 502 respondents who analyze and evaluate publicly-traded companies on a regular and recurring basis were more apt to obtain most of their information manually from company source documents (versus 43 percent who rely mostly on third-party data providers). Respondents who analyze and evaluate less frequently relied more on third-party data providers, ranging from 54 percent for occasional analysis to 60 percent for those who seldom performed analysis.

Higher and Lower than Total %	Total %	Performs research on a regular and recurring basis	Performs research occasionally	Performs research seldom or not at all
N (excludes not applicable)	811	502	217	89
Most of the data/information is obtained from 3rd party data providers	37%	36%	40%	35%
Limited data/information is obtained from 3rd party data providers	34%	37%	32%	21%
All data/information is extracted manually from source documents	18%	20%	14%	19%
All data/information is obtained from 3rd party data providers	11%	7%	14%	25%
Most to all data obtained from 3rd party data providers	48%	57%	46%	40%
Most to all data extracted manually from company source documents	52%	43%	54%	60%

<u>Analysis by Region of Residence</u>

Respondents who reside in the U.S. are more likely to rely on third-party data providers and are less likely to extract all data from source documents than other respondents residing outside the U.S.

Higher and Lower than Total %	Total %	Asia/ Pacific	Canada	EMEA[6]	Latin America	United States
N (excludes not applicable)	811	89	75	155	19	474
Most of the data/information is obtained from 3rd party data providers	37%	35%	25%	33%	31%	40%
Limited data/information is obtained from 3rd party data providers	34%	35%	44%	32%	16%	33%
All data/information is extracted manually from source documents	18%	20%	23%	27%	37%	14%
All data/information is obtained from 3rd party data providers	11%	10%	8%	8%	16%	12%
Most to all data obtained from 3rd party data providers	48%	45%	33%	42%	47%	52%
Most to all data extracted manually from company source documents	52%	55%	67%	58%	53%	47%

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[6] Europe, Middle East, and Africa

Question 6: On a scale of 1 to 5, please indicate the level of importance that each of the following source documents has to your analysis and evaluation of a company's financial condition and performance.

- ☐ **Interim reports – e.g., 10Q filings**
- ☐ **Annual reports – e.g., 10K filings**
- ☐ **Quarterly earnings releases**
- ☐ **Special events reports – e.g., 8K filings**
- ☐ **Shareholder reports/proxy books**
- ☐ **Periodic supplements/fact books**
- ☐ **Prospectus/registration statements for initial public offerings**

Question 7: On a scale of 1 to 5, please indicate the level of importance that each of the following company financial statements has to your financial analysis.

- ☐ **Income statement**
- ☐ **Balance sheet**
- ☐ **Cash flow statement**
- ☐ **Changes in shareholders' equity**
- ☐ **Notes to the financial statements**
- ☐ **Management discussion & analysis**

(1=Not important to 5=Very important: Results shown are the mean rating and exclude "no opinion".)

	2007	2003[7]	1999[8]
Question 6: Corporate Reports and Disclosures	**N = 853**		
Annual reports – e.g., 10K filings	4.6	4.4	4.0
Interim reports – e.g., 10Q filings	4.1	4.2	3.9
Quarterly earnings releases	3.9	4.1	3.9
Other regulatory filings*		3.9	3.7
Prospectus/registration statements for IPOs*	3.7		
Special events reports – e.g., 8K filings*	3.5		
Shareholder reports/proxy statements*	3.1		
Periodic supplements/fact books	3.1	3.0	
Question 7: Financial Statements and Disclosures	**N = 849**		
Cash flow statement	4.7	4.6	4.4
Income statement	4.7	4.5	4.6
Balance sheet	4.6	4.6	4.4
Notes to the financial statements	4.4	4.5	
Management discussion and analysis	4.1	4.1	4.3
Statement of shareholders' equity	3.5	3.2	3.7

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[7] Results from 2003 CFA Institute (then AIMR) Corporate Disclosure Survey.

[8] Results from 1999 CFA Institute (then AIMR) Corporate Disclosure Survey.

The results of this survey are comparable to the results of previous CFA Institute surveys. Members continue to place great importance on the audited and complete financial filings for conducting fundamental analysis. Also, respondents indicate that along with the three primary financial statements, the related disclosures are very important to performing their research and analysis of companies' financial condition and performance. Overall, the results show that respondents use several information sources for a comprehensive data set.

Analysis by Job Position

Higher and Lower than Total Mean Rating	Total Mean Rating	Fund/ Portfolio Manager	Investment Analysts (buy-side)	Investment Analysts (sell-side)	Investment Advisors	Corporate Investment Officers	Academics	Other
Question 6:								
Annual reports	4.6	4.4	4.8	4.7	4.4	4.5	4.5	4.6
Interim reports	4.1	3.9	4.4	4.4	3.7	3.9	3.8	4.0
Earnings releases	3.9	3.9	4.2	4.5	3.7	3.8	3.6	3.6
Prospectus	3.7	3.5	4.0	4.3	3.3	3.7	4.0	3.6
Special events reports	3.5	3.3	3.8	3.9	3.3	3.7	3.3	3.4
Shareholder reports	3.1	3.0	3.3	2.8	3.3	3.4	3.3	2.9
Supplements/ fact books	3.1	3.0	3.3	3.2	3.0	3.1	3.0	2.9
Question 7:								
Cash flow statement	4.7	4.7	4.8	4.7	4.7	4.5	4.8	4.5
Income statement	4.7	4.6	4.8	4.8	4.7	4.6	4.5	4.7
Balance sheet	4.6	4.5	4.8	4.7	4.6	4.5	4.6	4.6
Notes to F/S	4.4	4.2	4.6	4.7	4.4	4.3	4.4	4.5
MD&A	4.1	3.9	4.4	4.3	4.1	4.0	4.1	4.2
Shareholders' equity statement	3.5	3.5	3.6	3.3	3.9	3.4	3.6	3.5

Once again, buy- and sell-side investment analysts place high importance on virtually all of the noted information sources: corporate reports and disclosures, including individual financial statements and related note disclosures. This was especially true of the interim reports (e.g., 10Qs), quarterly earnings releases, and special events reports (e.g., 8Ks). This group of respondents (investment analysts) indicated that their research and analysis is performed more frequently than other major groups of respondents. Therefore, they are more apt to constantly update their financial analysis models to reflect a company's current financial condition and performance.

In addition, the importance respondents place on note disclosures and MD&A sections shows the need for providing the details of the companies' operations. Investment professionals look to these areas for insight on future cash flow prospects and an increased understanding of the decisions made by management.

Investment analysts (buy-side) gave all information reports and disclosures higher ratings as compared to the total mean rating given by any other major group of respondents. By contrast, fund/portfolio managers and corporate investment managers gave lower ratings to more items than other major groups of respondents.

Analysis by Region of Residence

Higher and Lower than Total Mean Rating	Total Mean Rating	Asia/ Pacific	Canada	EMEA[9]	Latin America	United States
Question 6:						
Annual reports	4.6	4.6	4.6	4.6	4.6	4.5
Interim reports	4.1	4.0	4.0	3.8	4.4	4.2
Earnings releases	3.9	3.9	3.9	3.7	4.5	4.0
Prospectus	3.7	4.2	3.6	4.0	4.0	3.6
Special events reports	3.5	3.8	3.4	3.5	3.9	3.5
Shareholder reports	3.1	3.2	3.2	3.1	3.5	3.1
Supplements/ fact books	3.1	3.4	3.1	3.2	3.3	2.9
Question 7:						
Cash flow statement	4.7	4.5	4.7	4.7	4.7	4.6
Income statement	4.7	4.6	4.6	4.7	4.8	4.7
Balance sheet	4.6	4.5	4.6	4.6	4.8	4.7
Notes to F/S	4.4	4.4	4.5	4.4	4.5	4.4
MD&A	4.1	4.2	4.2	4.1	4.2	4.1
Shareholders' equity statement	3.5	3.7	3.5	3.5	3.5	3.5

[9] Europe, Middle East, and Africa

Variance in importance from the total mean rating appears more frequently for specific corporate and disclosure reports than for specific financial statements and sections of reports. This difference may be due to regional reporting requirements and, in particular, the timeliness and frequency with which companies must report updated information. Companies' periodic supplements/fact books received the lowest mean importance rating (2.9) by respondents from the U.S.

Question 8: On a scale of 1 to 5, please indicate the level of importance that each of the following data attributes or characteristics[10] has to performing your analysis and evaluation of a company's financial condition and performance?

☐ **Reliability**: The data and its label are representative of the required financial reporting standards and definitions.

☐ **Consistency**: The data is presented in a similar way and/or format over time

☐ **Timeliness**: The data is easily accessible from the source document upon its release.

☐ **Granularity**: The data is disaggregated to show detailed information about the quantity and nature of reported financial statement items – assets, liabilities, revenues, and expenses.

☐ **Comparability**: The data is standardized by the nature of the transaction and/or business activity.

Importance of Data Attributes
n=855

(1=Not Important to 5=Very Important)

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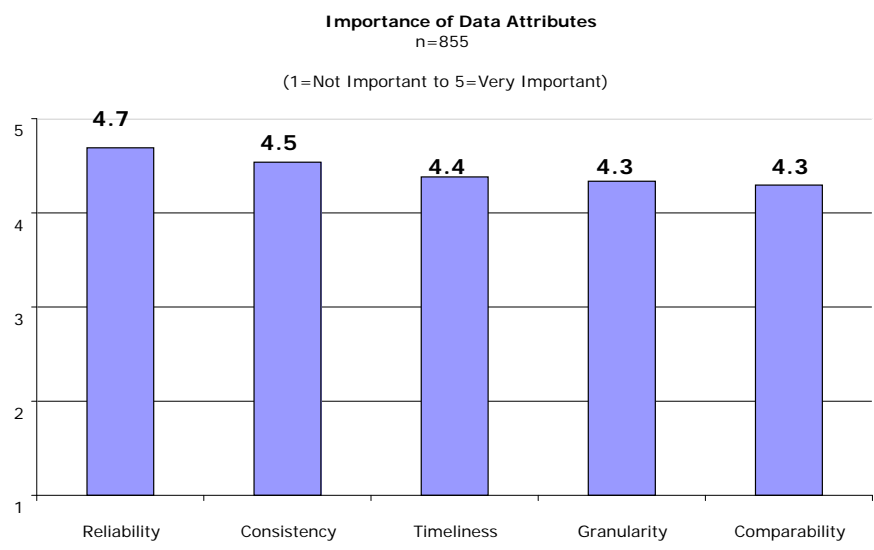
[10] Data attributes listed were defined specifically to address characteristics relating to XBRL tagged data, e.g., the relationship between the reported amount and the assigned XBRL tag; the detail level for which reported amounts should be tagged; and defined structure or taxonomy of XBRL tags.

When survey responses produce rankings of 4.3 out of 5 or greater, as happened here, clearly the question has touched on an element that is important to the respondent. The five data attributes and related definitions addressed are viewed as very important or key underpinnings to high-quality financial reporting.

"These items are the cornerstones of financial reporting. Each item is extremely important in the efficient communication of a business's performance".
--comment by a fund/portfolio manager from Australia

Analysis by Job Description

Higher and Lower than Total Mean Rating	Total Mean Rating	Fund/ Portfolio Manager	Investment Analysts (buy-side)	Investment Analysts (sell-side)	Investment Advisors	Corporate Investment Officers	Academics	Other
Reliability: representative of the required financial reporting standards and definition	**4.7**	**4.7**	**4.8**	**4.7**	**4.7**	**4.6**	**4.6**	**4.7**
Consistency: presented in a similar way and/or format over time	**4.5**	**4.5**	**4.5**	**4.6**	**4.6**	**4.5**	**4.7**	**4.5**
Timeliness: easily accessible from the source document upon its release	**4.4**	**4.4**	**4.5**	**4.6**	**4.4**	**4.3**	**4.5**	**4.3**
Granularity: disaggregated to show detailed information about the quantity and nature of reported items	**4.3**	**4.3**	**4.5**	**4.5**	**4.4**	**4.0**	**4.6**	**4.2**
Comparability: standardized by the nature of the transaction and/or business activity	**4.3**	**4.2**	**4.3**	**4.3**	**4.3**	**4.2**	**4.6**	**4.4**

Analysis by Frequency of Research

Higher and Lower than Total Mean Rating	Total Mean Rating	Performs research on a regular and recurring basis	Performs research occasionally	Performs research seldom or not at all
Reliability	**4.7**	**4.7**	**4.6**	**4.7**
Consistency	**4.5**	**4.6**	**4.6**	**4.4**
Timeliness	**4.4**	**4.4**	**4.3**	**4.2**
Granularity	**4.3**	**4.4**	**4.2**	**4.1**
Comparability	**4.3**	**4.3**	**4.3**	**4.3**

Comparing these results across both frequency of research efforts and job position, the widest range of results were related to "granularity." This attribute was ranked slightly above 4 out of 5 for respondents who seldom or never analyze companies (4.1) as well as for corporate investment managers/officers (4.0). The trend of meeting or exceeding the total mean ranking continued for the 'investment analysts' pool of respondents.

Respondents Speak Out

Question 8 offered survey respondents their first opportunity to provide elaborative comments about their responses. Respondents were asked to explain why the attribute, which they rated a 4 or 5, is so important to their analysis of a company's financial reports. Respondents provided 327 elaborative comments.

Reliability, consistency, and comparability were most frequently noted as being items that build upon one another in the evaluation process. When these items break down or falter, the accuracy of reports is diminished and there is considerable additional effort required of analysts to update their models. Comments on the additional characteristics relay the need to react to changes in the market and to maintain a proper understanding of the various business units of the organization.

Analysis of the feedback reveals comments centered on two broad themes: (1) the expectation that these attributes aid in determining a company's financial condition and performance, and (2) increasing an investment professional's confidence in making an investment recommendation when quality information is available.

Select Comments Received on Assessing a Company's Financial Condition and Performance

Fund/portfolio manager (Canada): All of these factors are integral in assessing the financial health and prospects of a target company

Fund/portfolio manager (U.K.): Comparability—so you can get a good idea of the relative value within a sector. Reliability—if you can't rely on the figures what good are they.

Fund/portfolio manager (U.S.): I use financial statements to assess a company's credit quality. Thus, it is always better to have the most timely data possible. Data that is reliable and granular helps to facilitate the calculation of various ratios that pertain to credit quality. Finally, consistent data helps make the credit ratios relevant and comparable over time in order to determine if the company is improving or getting worse.

Investment advisor to private clients (U.S.): Our investment process is grounded in the assumption that earnings and cash flow drive stock prices. Comparability, through time and across peers, is vitally important and we spend a lot of time trying to make the numbers comparable. Managements seem to do everything they can to obfuscate.

Investment analyst buy-side (Singapore): Combined the attributes allow for a relatively up-to-date picture of a company's performance that can be analysed as part of a trend. Detail is needed to prevent information getting lost in excessive aggregation.

Investment analyst sell-side (South Africa): Comparability is very important since I often compare across various companies. Sometimes I have to waste time converting items for comparability purposes. Timeliness is key for obvious reasons. The sooner I get the info the sooner I can do the analysis the sooner I can arrive at my valuation. Consistency is key over time. There is nothing more time wasting and irritating than a company changing their definitions of key items over time. Granularity is key. It helps my modeling process to have key items such as revenue and operating profit segmented into key business areas.

Investment analyst sell-side (India): Since financial analysis is only as good as the inputs, unreliable and inconsistent data poses problems with financial modeling. Comparability and consistency is also necessary to avoid misrepresentative financial ratios and form the base of business and company comparisons within the sector and geographies. Granularity ensures clarity what the figures published in the reports are made up of and thereby in forecasting financial performance better.

Credit analyst (Ukraine): It [the financial attributes] is important because otherwise financial analysis won't clearly depict the real financial standing of a company

Credit rating agency analyst (U.S.): Relative value is key for all investment activities. Credit ratings are a form of comparison, which is tough to do if data is prepared in varying formats.

Corporate investment manager/officer (Canada): In analyzing financials a story is extracted from the variability of the numbers. If the numbers are not aggregated in the same manner or consistently, there is a loss of information and the signal that is sent is misguided / unreliable. Timely data is always important to making a specific buy or sell decision. With the refusal of many companies for competitive reasons to release granular data it is always reassuring to be able to drill into the financial numbers to identify underlying trends.

Investment officer (U.S.): The more refined and timely the information, the better the analysis without having to make to many adjustments. Furthermore, data inconsistency over time and lack of comparability makes it harder to evaluate a company's true economic situation and sustainability of reported results.

Quantitative analytics vendor (U.S.): Virtually the only analysis I perform involves security evaluation in the context of a portfolio or investment universe so all data must either be in identical format for all stocks or (a) fixed by hand or (b) thrown out.

Independent researcher (Canada): Competition for alpha is so strong that most investors want the power to quickly compare a universe of stocks with a high degree of confidence in their analysis and that requires comparability (which requires consistency).

Select Comments Received on Having Confidence in the Quality of Information

Derivatives salesman (South Africa): Quantitative as well as qualitative information is vital to company analysis. However, quantitative information is more prone to abuse and scandal. Therefore, quantitative information needs all the above qualities in order for analysts to place reliance and utilize that information.

Fund/portfolio manager (Canada): Ultimately, the portfolio management process is about finding the best available option(s). By definition that means that comparability, consistency and reliability are assumed characteristics. That is the whole point of doing research.

Investment analyst buy-side (the Netherlands): A transparent break down of information saves tremendous amounts of time and helps in making less mistakes from e.g. different definitions etc.

Investment analyst buy-side (U.S.): The more detailed info you have from a company the easier it is to be comfortable with the investment decision you arrive at the end of the analysis.

Investment analyst buy-side (Singapore): It [the financial attributes] basically reflects transparency and accountability of a company. They are obliged to report to shareholders as clearly and truly as possible.

Investment analyst buy-side (U.S.): All are vital aggregating into consistency and dependability upon my being able to arrive at a conclusion in a timely manner. Otherwise, the opportunity may be lost. All of the above tie into being able to make a decision in the most timely yet present manner possible.

Investment analyst sell-side (U.K.): Competent analysis of inaccurate data will result in wrong answers and estimates of growth rates will be inaccurate if two sets of numbers are not comparable. (It is acceptable for companies to change presentation in response to a change in accounting rules or a major change in the nature of the business provided they show the prior year's results - preferably two or three prior year's results - on the new basis). For companies with more than one activity, each activity needs to be analysed separately so disaggregated data is needed to perform proper analysis

Investment analyst sell-side (Canada): I publish research notes as soon as I have enough info to update my model & revisit my thesis. If financial statements/press releases are not timely than it makes it is almost impossible for me to be timely as well. Reliability seems pretty straightforward - mistakes or erratum are unacceptable in my opinion. Consistency is a nicety that makes my job easier - updating my models is a detailed process & management can make this task easier for me by being consistent with their disclosure. Lastly, granularity is VERY important for me - I analyze companies by simplifying every facet of the business until I am comfortable with the complexion of the sum of parts. Without a detailed MD&A/Notes/Press Release this is very difficult.

Trader (U.S.): My philosophy is that a stock is simply a call option on the earnings stream of a company. Since mine is a long-only strategy I want to own only those stocks whose underlying companies are experiencing high earnings growth. I use a statistical measure to gauge earnings growth for every stock on the NYSE, NASDAQ and AMEX. Thus all factors rated 4 or 5 are done so because they ensure apples-to-apples comparisons.

Academic (South Africa): I do academic research looking for patterns in returns. Comparability between firms and consistency over time is important to be able to compare. It is important that the data are not aggregated too much because aggregation is usually done with one specific use in mind and limits other applications of the data.

Valuation analyst (U.S.): Granularity is important because we assess business unit and individual asset values. Consistency is important because we look for trends.

Question 9: 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.

☐ **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.**

Awareness of XBRL
n=858

Aware of XBRL and up-to-date, **9%**

Aware of XBRL but not up-to-date, **32%**

Not aware of XBRL, **59%**
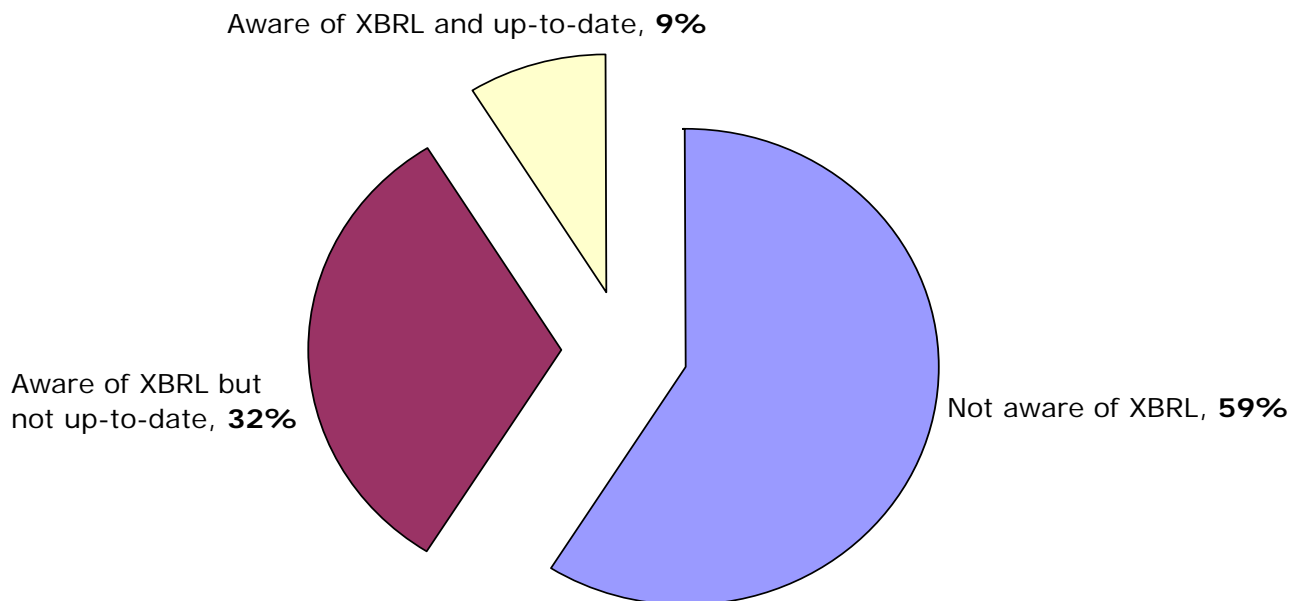
Less than half of respondents (41 percent) indicated that they have some awareness of XBRL. This level of awareness is lower than the level (47 percent) indicated in an earlier, informal two-question survey.[11] Despite the global expansion of the use of XBRL for reporting financial information, the CFA Institute membership's lack of XBRL awareness shows a need for continued educational outreach on the subject.

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[11] In May 2006, CFA Institute members were asked in a monthly e-newsletter's "Question of the Month": (1) *Will XBRL assist with your evaluation and analysis of publicly-traded firms?* and (2) *Should CFA Institute support the development of XBRL taxonomies and their application in financial reporting?* Unlike this 2007 XBRL Survey, which targeted a subgroup of the CFA Institute membership, the monthly e-newsletter questionnaire was sent to all members who have active e-mail addresses. Results of the May 2006 questionnaire are available online at: http://www.cfainstitute.org/memresources/monthlyquestion/may2006.html

Question 9 was used to qualify respondents based on their awareness of XBRL. Based on the answers to this question, respondents were divided between those having some awareness about XBRL and those having no awareness. Respondents with some level of XBRL awareness (n=354) were directed to questions 10 through 16 and those with no awareness (n=504) were directed to the end of the survey (and referred to the CFA Institute XBRL web pages for further information).

Analysis by Job Position

Higher and Lower than Total %	Total %	Fund/ Portfolio Manager	Investment Analysts (buy-side)	Investment Analysts (sell-side)	Investment Advisors	Corporate Investment Officers	Academics	Other
I am aware of XBRL and the plans for its usage in financial reporting	9%	5%	11%	10%	10%	10%	7%	10%
I am aware of XBRL and the plans for its usage in financial reporting	32%	32%	31%	41%	28%	27%	40%	34%
I am not aware of XBRL	59%	63%	58%	49%	62%	63%	53%	56%

As observed in their responses to earlier questions about the use of financial filings, sell-side investment analysts, at 51 percent, had the greatest awareness of XBRL. These 71 respondents represented the only group demonstrating a level of awareness greater than 50 percent. Fund and portfolio managers, 230 respondents, indicated the lowest awareness of the planned use of XBRL for financial reporting at 5 percent.

Analysis by Region of Residence

Higher and Lower than Total %	Total %	Asia/ Pacific	Canada	EMEA	Latin America	United States
I am aware of XBRL and the plans for its usage in financial reporting	9%	7%	10%	5%	5%	10%
I am aware of XBRL and the plans for its usage in financial reporting	32%	26%	26%	29%	24%	36%
I am not aware of XBRL	59%	67%	64%	66%	71%	53%

Awareness of XBRL is highest in the United States (46 percent) and lowest in Latin America (29 percent). It is highest among investment analysts on the sell side (51 percent) and lowest among corporate investment managers and fund/portfolio managers (37 percent).

Question 10: 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.

Use Information through an XBRL instance document reader/viewer:

☐ **Periodic (interim or annual) 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 (e.g. banking and insurance oversight bodies)**

Extract or Import XBRL tagged data directly into your financial analysis models:

☐ **Periodic (interim or annual) 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 (e.g. banking and insurance oversight bodies)**

Of those aware of XBRL (n=354), most do not currently use and/or extract XBRL tagged data from source documents. When such data is used, respondents are more likely to use the information through an XBRL instance document reader/viewer than to extract or import tagged data directly into financial analysis models.

XBRL Usage

Max n = 354
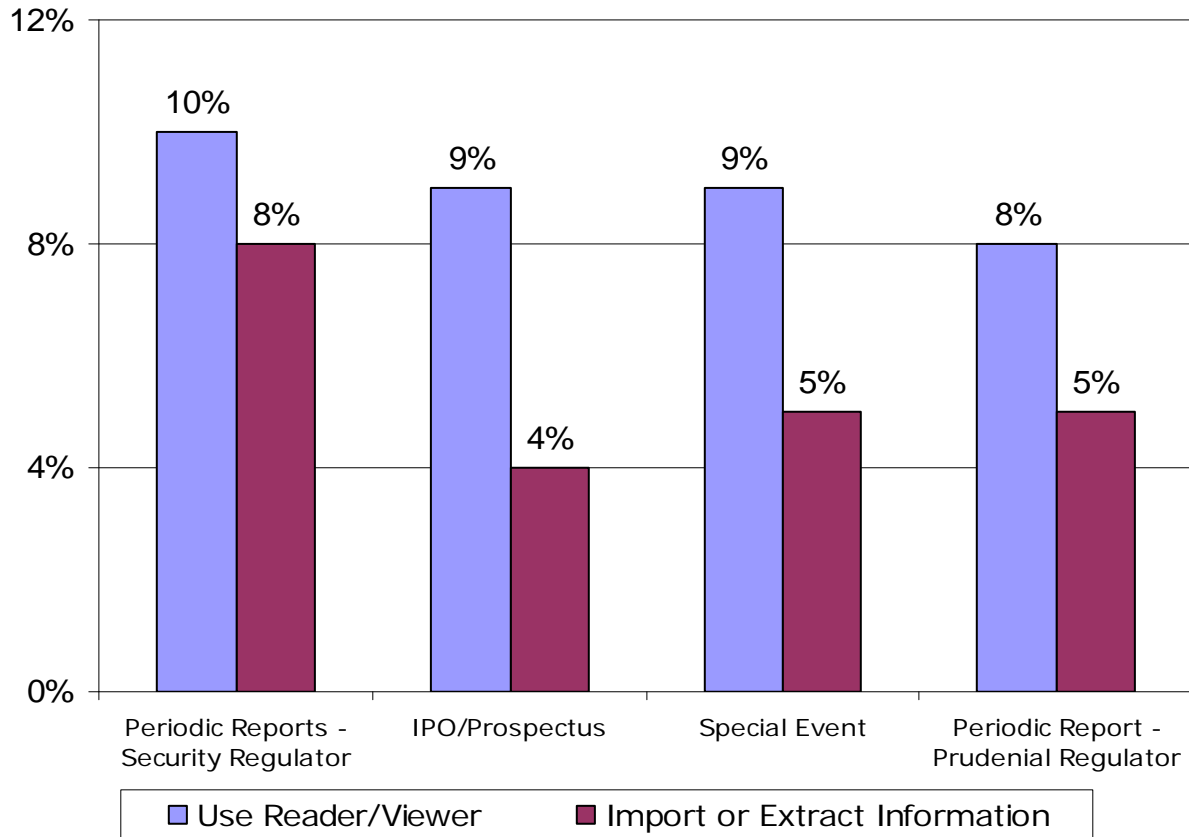
A limited number of comments were provided about other possible tagged information sources. Respondents indicated an interest in companies tagging their press releases and fact books, as well as the desire for third party aggregators to incorporate XBRL tagging into their products.

Some respondents also expressed concern about the movement to the use of XBRL; with proper and careful implementation, those concerns can be overcome. The following comments reflect the high importance placed on having both reliability and consistency of financial information:

Investment analyst sell-side (U.S.): I have not started using XBRL yet because I tend to want to make sure the data is accurate in my model and I'm not convinced the companies are going to consistently tag the data correctly.
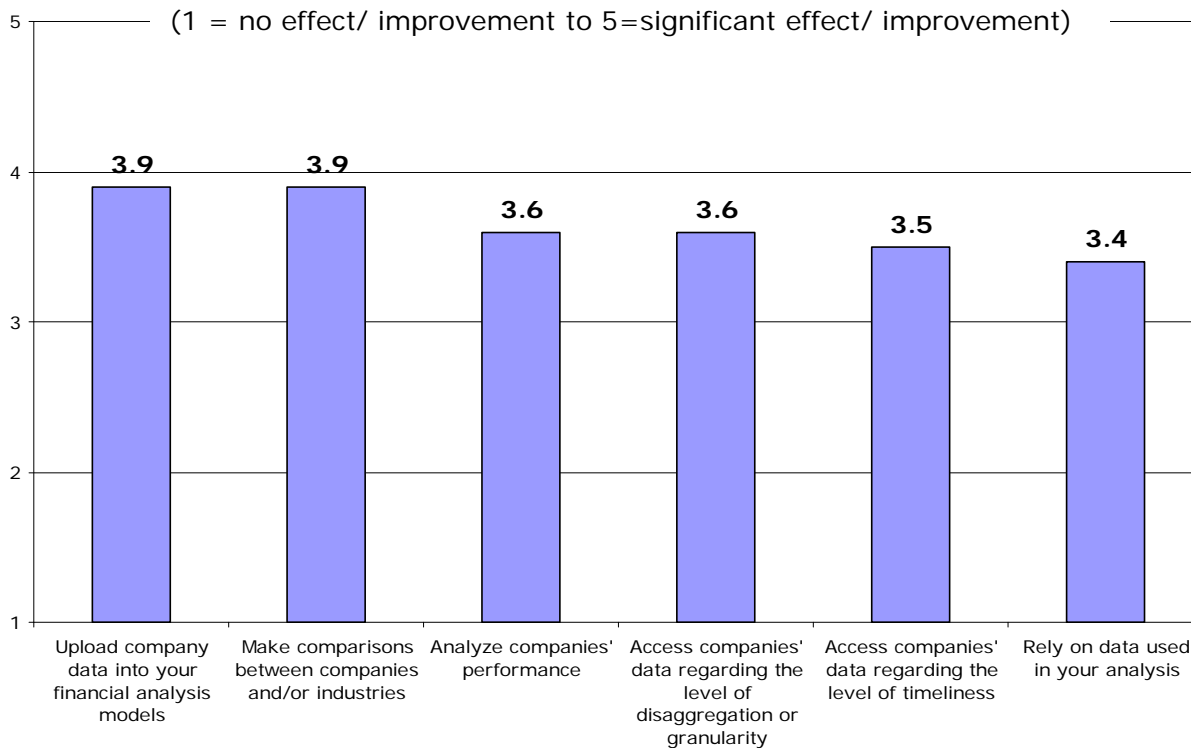
Investment analyst buy-side (U.S.): I currently do not use XBRL tagged information in my analysis. I do not trust that it will provide the reliability I require.

Question 11: 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 aspects of your review and evaluation of companies' financial reports and other corporate disclosures.

☐ **Analyze companies' performance**

☐ **Make comparisons between companies and/or industries**

☐ **Access companies' data regarding the level of timeliness**

☐ **Access companies' data regarding the level of disaggregation or granularity**

☐ **Rely on data used in your analysis**

☐ **Upload company data into your financial analysis models**

XBRL Improvements
n=302

(1 = no effect/ improvement to 5=significant effect/ improvement)

Category	Value
Upload company data into your financial analysis models	3.9
Make comparisons between companies and/or industries	3.9
Analyze companies' performance	3.6
Access companies' data regarding the level of disaggregation or granularity	3.6
Access companies' data regarding the level of timeliness	3.5
Rely on data used in your analysis	3.4

The importance placed on uploading data and making industry comparisons is to be expected, given the promotion of XBRL for its aid in creating computer-readable data filing. These results also mirror the results for question 5, which showed that 81 percent of respondents currently use a third party information provider for at least a portion of the evaluation process.

Analysis by Level of Awareness

Higher and Lower than Total Mean Rating	Total Mean Rating	Aware of XBRL and plans for its usage in financial reporting	Aware of XBRL but not up-to-date on its usage in financial reporting
Upload company data into your financial analysis models	3.9	4.1	3.9
Make comparisons between companies and/or industries	3.9	4.1	3.8
Analyze companies' performance	3.6	3.8	3.6
Access companies' data regarding the level of disaggregation or granularity	3.6	3.8	3.5
Access companies' data regarding the level of timeliness	3.5	3.7	3.5
Rely on data used in your analysis	3.4	3.5	3.4

The survey responses reveal optimism that improvements could occur as XBRL becomes integrated into the financial reporting process. The more educated the respondents were about XBRL usage, the higher the significance they placed on such improvements.

Respondents Discuss Potential Benefits

Respondent comments are closely related to the use of electronic data in the evaluation process. There was particular emphasis on the level of detail that becomes accessible with XBRL, the possible increase in speed of performing analysis, and the potential cost reductions both when extracting one's own information and when relying on data aggregators. These tie closely to the importance rankings of the data attributes from question 8.

Fund/portfolio manager (U.S.): With XBRL, I may be able to make comparisons more readily based simply on time efficiency. Uploading data rather than inputting manually into a spreadsheet is the big advantage. Again, time efficiency. There is nothing I can do with XBRL I couldn't do manually; XBRL just makes the process more efficient.

Banker project finance (Spain): The greatest effect will be the ability to upload RELIABLE CONSISTENT and DETAILED data into my models. Then I would be able to focus on the analysis of the data, which is most important. By having instant data uploaded into my models. I would be able to spend more time on the analysis of the companies' performance and comparison between companies and/or industries.

Investment analyst buy-side (U.K.): The figures reported are unlikely to be changed/revised and minimising analyst inputting of data can improve accuracy of analysis.

Investment analyst sell-side (Mexico): Using comparable data will make it faster to have cross-sectional data and having it in electronic form will make it faster to include in financial models.

Corporate investment manager/officer (Canada): It will make for speedier, more consistent evaluations of common data. The resulting differentiations in ratings will be indicative of an analysts qualitative assessment not their quantitative assessment. This is analogous to moving from a world where each analyst hired their own auditors to prepare a company's financial statements to a world where all of the analysts used the same set of financial statements.

Quantitative analytics vendor (U.S.): As a quant I think the ability to have my program suck down the entire IS/BS/SCF for each company of interest is revolutionary. It facilitates the bridge between quant methods and fundamental analysis by eliminating huge amounts of labor that have been a roadblock to letting a quant algorithm "see" all the data that a fundamental analyst sees. I think there's also a whole world to be explored in the areas of text mining the MD&A and footnotes.

Academic (Malaysia): Comparison - XBRL probably helps predefine what data can be comparable making faster and broader comparisons possible. Timeliness - XBRL probably makes broad searches and some sort of database programming feasible. Granularity - Detailed level of data if better predefined by XBRL becomes more consistent across time and companies.

Respondents Outline Concerns

Respondents also relayed some warning signs to the regulators of XBRL projects. Addressing these concerns may increase the usage of XBRL in the investment profession, but clearly no major increase in XBRL use will occur overnight. Coordination with external parties—including software vendors and data aggregators—is essential to the future acceptance rates of XBRL.

Fund/portfolio manager (U.S.): The extent to which this would be useful is a function of how quickly this could be integrated into Capital IQ, which is my 3rd party data provider.

Investment analyst buy-side (Singapore): Uploading data: ultimately, expect to develop a model that allows for automatic inclusion of XBRL data. Presently use of XBRL still insufficiently widespread to devote time to developing this.

Investment analyst buy-side (U.S.): I have limited trust in puling data from an on-line source and downloading into a spreadsheet.

Corporate investment manager/officer (Monaco): Less data input errors and direct input into models…although I have not seen any free modeling software without which adoption of XBRL will be slow.

Question 12: 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?

☐ **Companies should be able to create new tags without regard to current XBRL taxonomy or list of tags – no standardized tagging of data; tags are based on the company's current reporting and presentation style within the current financial reporting standards**

☐ **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**

☐ **Companies should not be able to create new tags; only the current XBRL taxonomy or list of tags should be used; tags are predefined according to current financial reporting standards**

☐ **No Opinion**

XBRL Tagging Flexibility
n=237

No ability to extend, **25%**

Limited ability to extend, **66%**

Complete freedom to extend, **9%**
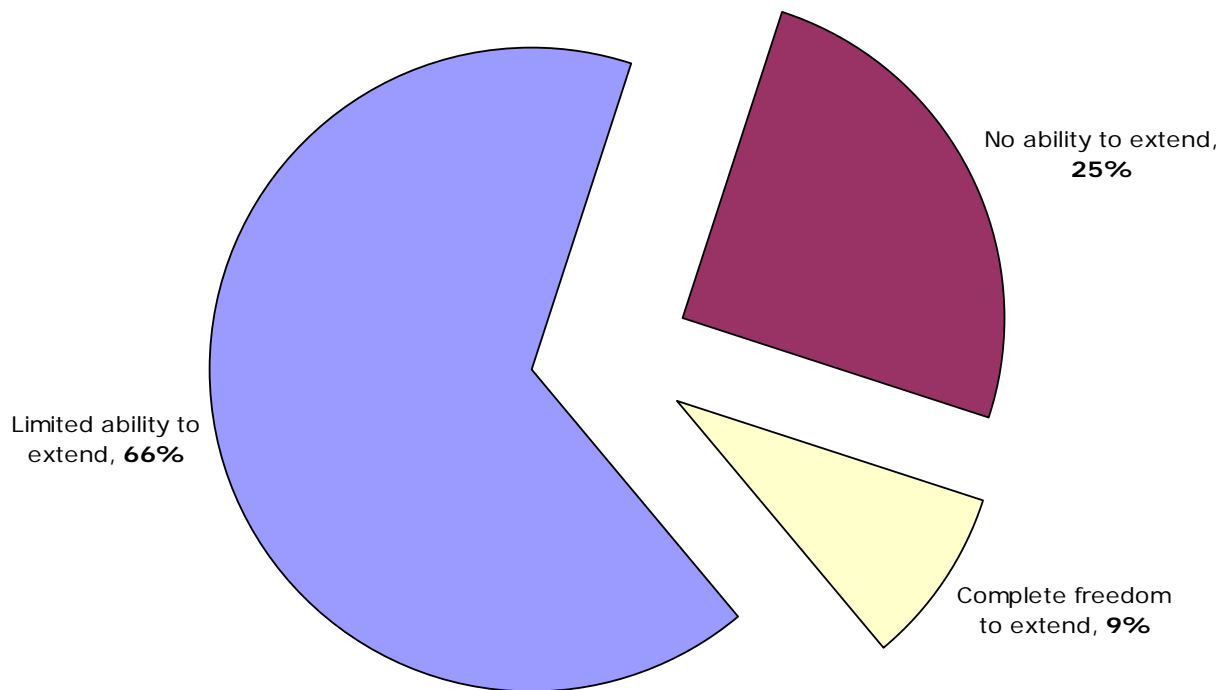
The majority of responses (66 percent) to this question indicate the membership's preference for limiting "customized" extensibility options for companies. The need for extensions conflicts with investment professionals' desire for consistency and comparability of financial information. While one might expect that all companies could file under the established core taxonomy without requiring further data tags, only 25 percent of the respondents indicated this as their preferred option. A disciplined approach to modifying the standard taxonomy could keep companies in check in regards to the use of company-specific extensions.

Analysis by Level of Awareness

Higher and Lower than Total Mean Rating	Total %	Aware of XBRL and plans for its usage in financial reporting	Aware of XBRL but not up-to-date on its usage in financial reporting
Companies should be able to create new tags without regard to current XBRL taxonomy or list of tags – no standardized tagging of data; tags are based on the company's current reporting and presentation style within the current financial reporting standards	9%	6%	16%
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	66%	69%	59%
Companies should not be able to create new tags; only the current XBRL taxonomy or list of tags should be used; tags are predefined according to current financial reporting standards	25%	25%	25%

When looking at the responses of those aware of the planned use of XBRL for financial reporting (n=61) versus those who are not (n=176), the former were more likely to allow companies a wider range of extensibility. It is unclear if these respondents found the use of extensions as a non-issue in the information they reviewed or if they believe companies will make good decisions about adding extensions.

Analysis by Job Position

Higher and Lower than Total %	Total %	Fund/ Portfolio Manager	Investment Analysts (buy-side)	Investment Analysts (sell-side)	Investment Advisors	Corporate Investment Officers	Academics	Other
Companies should be able to create new tags without regard to current XBRL taxonomy or list of tags – no standardized tagging of data; tags are based on the company's current reporting and presentation style within the current financial reporting standards	9%	2%	6%	17%	11%	33%	10%	9%
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	66%	64%	72%	71%	63%	25%	70%	68%
Companies should not be able to create new tags; only the current XBRL taxonomy or list of tags should be used; tags are predefined according to current financial reporting standards	25%	34%	22%	13%	26%	42%	20%	23%

In reviewing the results by job position, some interesting results appear. The investment analyst groups indicated the greatest preference for allowing limited extensions. However, the sell-side group was more willing to allow management additional flexibility (17 percent) compared to buy-side analyst (6 percent). Corporate investment officers (42 percent) and fund or portfolio managers (34 percent) were most inclined to require use of the approved taxonomy only. At the same time, the corporate investment officers also indicated the greatest level of willingness (33 percent) for companies to create extensions as needed. Clearly, there is more than one path to implementing a XBRL platform.

Question 13: If companies are permitted to create company-specific XBRL tags, which specification should be used to create such tags?

☐ **A specified approach or protocol should be used to link or align company-specific XBRL tag(s) to other related tagged data that is in a given category of financial item - asset, liability, revenue or expense**

☐ **No specified approach or protocol is necessary to link or align company-specific XBRL tag(s) to other related tagged data that is in a given category of financial item - asset, liability, revenue or expense**

☐ **No Opinion**
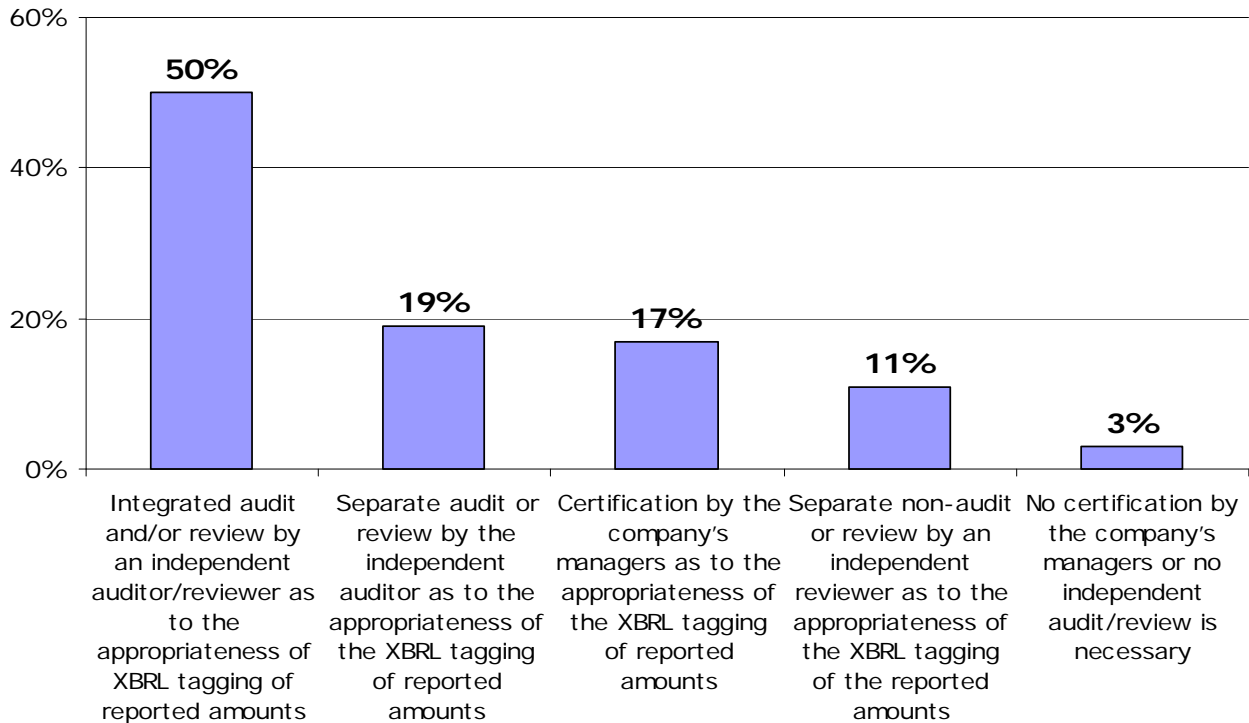
Tagging Protocol
n=216
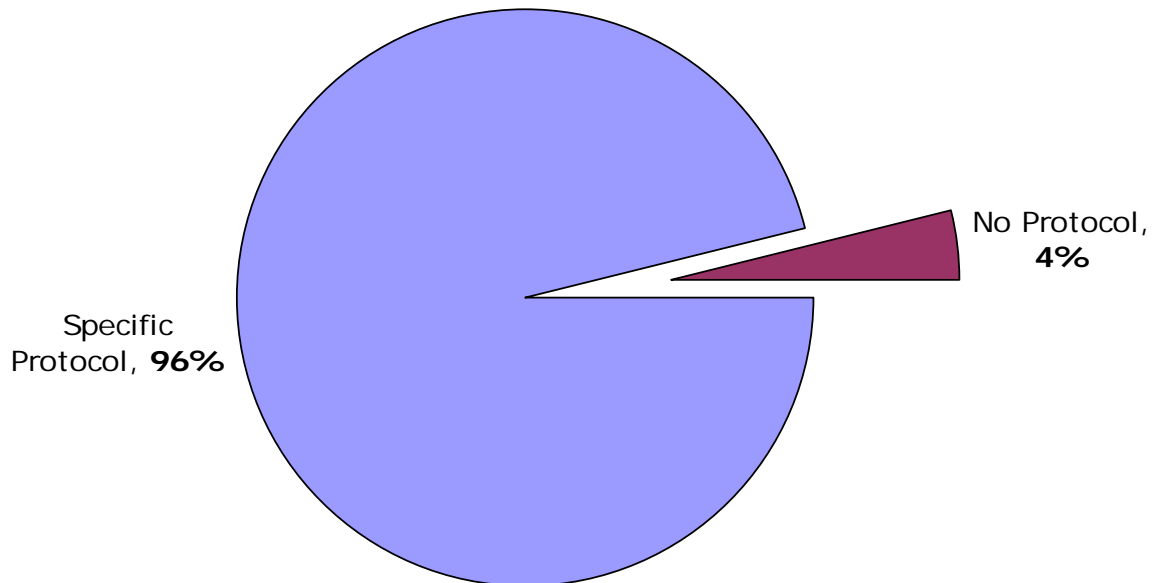
Respondents overwhelmingly agree (96 percent of respondents) that when permitted to create company-specific XBRL tags, a specified approach or protocol should be used. The results between the two groups aware of XBRL are not significant in their response to this question.

Question 14: 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? (For example – A company has tagged the cash amount reported on the balance sheet with the XBRL defined tag for "cash – balance sheet".)

- ☐ **Certification by the company's managers as to the appropriateness of the XBRL tagging of reported amounts; no audit and/or review by an independent party**
- ☐ **Separate non-audit or review by an independent reviewer as to the appropriateness of the XBRL tagging of the reported amounts**
- ☐ **Separate audit or review by the independent auditor as to the appropriateness of the XBRL tagging of reported amounts; similar assurance given to the information provided currently in regulatory reports without XBRL tags, e.g., annual information is audited and interim/quarterly information is reviewed**
- ☐ **Integrated audit and/or review by an independent auditor/reviewer as to the appropriateness of XBRL tagging of reported amounts; this assurance would be included in the overall audit and/or review of company's financial reports and disclosures filed with regulatory bodies, e.g., stock exchanges or securities regulators**
- ☐ **No certification by the company's managers *or* no independent audit/review is necessary**
- ☐ **No Opinion**

Level of Assurance
n=238

Category	Percentage
Integrated audit and/or review by an independent auditor/reviewer as to the appropriateness of XBRL tagging of reported amounts	50%
Separate audit or review by the independent auditor as to the appropriateness of the XBRL tagging of reported amounts	19%
Certification by the company's managers as to the appropriateness of the XBRL tagging of reported amounts	17%
Separate non-audit or review by an independent reviewer as to the appropriateness of the XBRL tagging of the reported amounts	11%
No certification by the company's managers or no independent audit/review is necessary	3%

Only 3 percent of respondents believe that XBRL tags do not require any form of assurance, either by the company's management or by an independent organization. Those in favor of some from of audit or certification placed a greater importance and reliance on this assurance coming from an independent party (80 percent).

Analysis by Level of Awareness

Higher and **Lower** than Total Mean Rating	Total %	Aware of XBRL and plans for its usage in financial reporting	Aware of XBRL but not up-to-date on its usage in financial reporting
Integrated audit and/or review by an independent auditor/reviewer as to the appropriateness of XBRL tagging of reported amounts; this assurance would be included in the overall audit and/or review of company's financial reports and disclosures filed with regulatory bodies, e.g., stock exchanges or securities regulators	**50%**	**52%**	**49%**
Separate audit or review by the independent auditor as to the appropriateness of the XBRL tagging of reported amounts; similar assurance given to the information provided currently in regulatory reports without XBRL tags, e.g., annual information is audited and interim/quarterly information is reviewed	**19%**	**23%**	**18%**
Certification by the company's managers as to the appropriateness of the XBRL tagging of reported amounts; no audit and/or review by an independent party	**17%**	**10%**	**19%**
Separate non-audit or review by an independent reviewer as to the appropriateness of the XBRL tagging of the reported amounts	**11%**	**10%**	**11%**
No certification by the company's managers *or* no independent audit/review is necessary	**3%**	**5%**	**3%**

Of those more knowledgeable about XBRL's usage, 85 percent indicated the need for using independent parties with the clear preference for a full audit of the filing. This group ranked the certification by management equal to a non-audit based external review (10 percent).

This need for verification ties back to the importance placed on reliability in response to question 8. As information gathering increasingly turns to these electronic, computer-readable filings, investment professionals require the same assurance about the financial information as they currently require of paper filings.

Analysis by Job Position

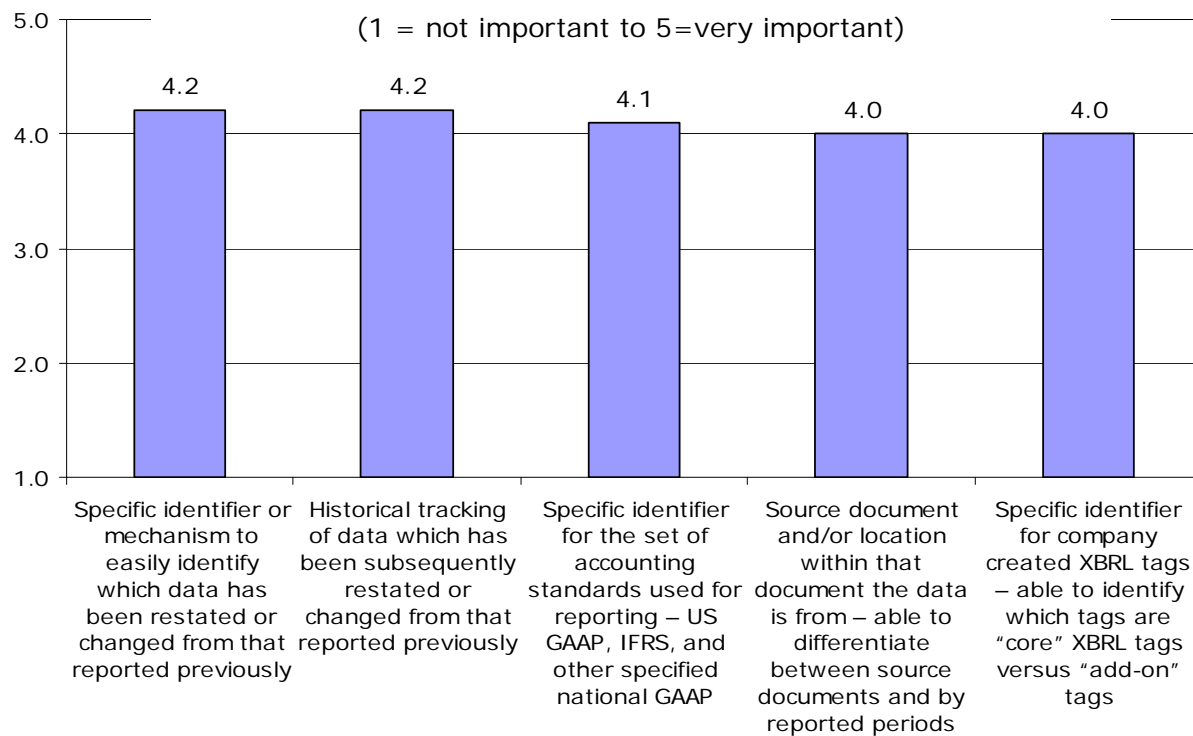| Higher and Lower than Total %	Total %	Fund/ Portfolio Manager	Investment Analysts (buy-side)	Investment Analysts (sell-side)	Investment Advisors	Corporate Investment Officers	Academics	Other
Integrated audit and/or review by an independent auditor/reviewer as to the appropriateness of XBRL tagging of reported amounts; this assurance would be included in the overall audit and/or review of company's financial reports and disclosures filed with regulatory bodies, e.g., stock exchanges or securities regulators	50%	55%	50%	52%	45%	42%	44%	49%
Separate audit or review by the independent auditor as to the appropriateness of the XBRL tagging of reported amounts; similar assurance given to the information provided currently in regulatory reports without XBRL tags, e.g., annual information is audited and interim/quarterly information is reviewed	19%	22%	18%	24%	20%	17%	33%	14%
Certification by the company's managers as to the appropriateness of the XBRL tagging of reported amounts; no audit and/or review by an independent party	17%	14%	19%	8%	20%	33%	0%	18%
Separate non-audit or review by an independent reviewer as to the appropriateness of the XBRL tagging of the reported amounts	11%	6%	11%	16%	10%	0%	11%	14%
No certification by the company's managers or no independent audit/review is necessary	3%	4%	2%	0%	5%	8%	11%	4%

Also of note, both buy- and sell-side investment analysts indicated they are less comfortable with a complete lack of certification, at 2 percent and 0 percent respectively. Of the nine academic professionals responding, one sees no need for any certification, and none of them said they would rely solely on the certification by management.

Question 15: On a scale of 1 to 5, please indicate the importance of knowing the nature and/or orientation of XBRL tagged data for the following items:

- ☐ **Source document and/or location within that document the data is from – able to differentiate between source documents and by reported periods**
- ☐ **Historical tracking of data which has been subsequently restated or changed from that reported previously**
- ☐ **Specific identifier or mechanism to easily identify which data has been restated or changed from that reported previously**
- ☐ **Specific identifier for company created XBRL tags – able to identify which tags are "core" XBRL tags versus "add-on" tags**
- ☐ **Specific identifier for the set of accounting standards used for reporting – US GAAP, IFRS, and other specified national GAAP**

Nature of XBRL Tagged Data
n=293

(1 = not important to 5=very important)

Category	Value
Specific identifier or mechanism to easily identify which data has been restated or changed from that reported previously	4.2
Historical tracking of data which has been subsequently restated or changed from that reported previously	4.2
Specific identifier for the set of accounting standards used for reporting – US GAAP, IFRS, and other specified national GAAP	4.1
Source document and/or location within that document the data is from – able to differentiate between source documents and by reported periods	4.0
Specific identifier for company created XBRL tags – able to identify which tags are "core" XBRL tags versus "add-on" tags	4.0

Importance of Source Documents & Tagging

Respondents agree that it is important to know qualitative aspects of the information, beyond just the tag's descriptive label; they scored all five areas addressed in this question between 4.0 and 4.2 on a 5-point scale.

Analysis by Level of Awareness

Higher and Lower than Total Mean Rating	Total Mean Rating	Aware of XBRL and plans for its usage in financial reporting	Aware of XBRL but not up-to-date on its usage in financial reporting
Specific identifier or mechanism to easily identify which data has been restated or changed from that reported previously	4.2	4.3	4.2
Historical tracking of data which has been subsequently restated or changed from that reported previously	4.2	4.3	4.2
Specific identifier for the set of accounting standards used for reporting – US GAAP, IFRS, and other specified national GAAP	4.1	4.2	4.0
Source document and/or location within that document the data is from – able to differentiate between source documents and by reported periods	4.0	4.1	4.0
Specific identifier for company created XBRL tags – able to identify which tags are "core" XBRL tags versus "add-on" tags	4.0	4.1	3.9

## Analysis by Frequency of Research

Higher and Lower than Total Mean Rating	Total Mean Rating	Performs research on a regular and recurring basis	Performs research occasionally	Performs research seldom or not at all
Specific identifier or mechanism to easily identify which data has been restated or changed from that reported previously	4.2	4.2	4.1	4.2
Historical tracking of data which has been subsequently restated or changed from that reported previously	4.2	4.3	4.1	4.0
Specific identifier for the set of accounting standards used for reporting – US GAAP, IFRS, and other specified national GAAP	4.1	4.1	4.1	3.9
Source document and/or location within that document the data is from – able to differentiate between source documents and by reported periods	4.0	4.1	3.9	3.8
Specific identifier for company created XBRL tags – able to identify which tags are "core" XBRL tags versus "add-on" tags	4.0	3.9	4.1	3.9

Most respondents believe that all aspects are important, although respondents distinguished by knowledge of XBRL, job position, and frequency of research ranked certain items as more important. Areas addressed in this question are related to the data attributes outlined in earlier questions. By identifying which tags represent company-specific extensions, analysts obtain a deeper understanding of the comparability across companies. Information will be shown consistently through identifiers for restatements and reclassifications. The level of granularity becomes apparent when tags identify the section of the filing, primary financial statement, or footnote disclosure. Moreover, knowing which accounting standards apply to the taxonomy used will allow analysts to judge the reliability of the information associated with each tag.

Question 16: How important is the global convergence of XBRL taxonomies (e.g. IFRS and US GAAP utilizing the same tags for similar financial items) in performing your analysis of companies' financial statements and disclosures and comparing companies' performance?

Importance of XBRL Convergence
n=264

Total Mean Rating of 3.9
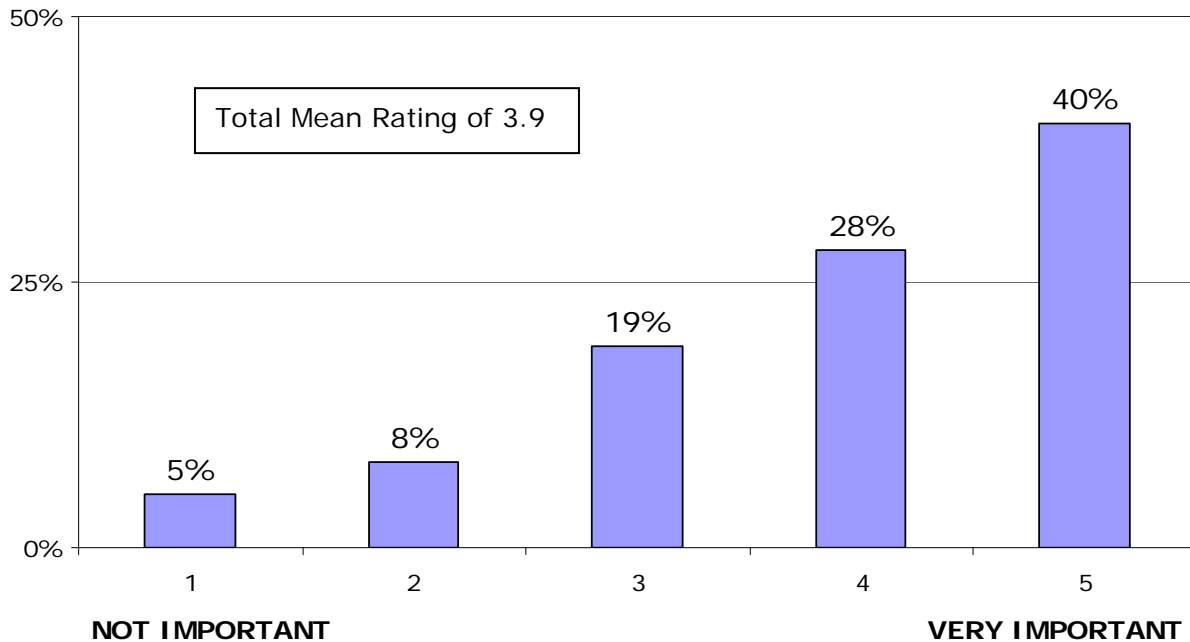
The level of importance reflects the continued globalization of the capital markets. As investment opportunities are compared across different regions, a standardized delivery format aids the analysis process.

Analysis by Region of Residence

Higher and Lower than Total Mean Rating	Total Mean Rating	Asia/ Pacific	Canada	EMEA	Latin America	United States
How important is the global convergence of XBRL taxonomies (e.g. IFRS and US GAAP utilizing the same tags for similar financial items) in performing your analysis of companies' financial statements and disclosures and comparing companies' performance	3.9	3.7	4.2	4.3	4.0	3.8

Respondents who assigned the highest importance to global convergence came from regions (EMEA and Canada) already using or moving toward reporting under International Financial Reporting Standards (IFRS). The U.S. and the Asia/Pacific region, home to strong national accounting standards, generated the lowest ratings. XBRL represents another aspect of the on-going discussion of global accounting convergence.

Analysts Understand Comparability

Comments on this question reflect recognition of the shift in capital markets from being a collection of nationally based markets to a single global investment arena.

Fund/portfolio manager (U.S.): Standardization of financial reports should be a goal of regulators.

Fund/portfolio manager (U.S.): As global linkages increase and competition is more international, it is important that we have a consistent view of companies regardless of where they are. Accounting standards are important, but the detail supporting various treatments are key – hopefully, this is where XBRL can play a role.

Investment analyst buy-side (Singapore): A single tag is preferred, but possibly not workable for companies reporting financial statements under two different systems. If so, full separation is best. Can adapt to any system provided it is clear what is what.

Investment analyst sell-side (South Africa): I often find it difficult to compare US based companies with companies here in South Africa. Their financial reporting is slightly different and certain key items are recorded and reported differently.   I think there should be common ground between IFRS and US GAAP when it comes to defining and using XBRL tags. This would make XBRL very useful to analysts comparing companies globally.

Former bank regulator (U.S.): The increasing internationalization of capital markets would benefit greatly from consistency in data definitions and accounting

Risk manager (Switzerland): Considering global (i.e. worldwide) responsibility for counterparty analysis (specifically banks) standardization of statements is a key to efficient peer comparison

Corporate investment manager/officer (Canada): Provided that the company identifies the taxonomy it is using, it is easy for me to have computer-assisted translation.

Rating agency analyst (U.K.): The whole point is to make comparisons easier. It is still up to the analyst to understand how different accounting systems can impact the financial statements, but that doesn't mean you can't make the XBRL items match up.
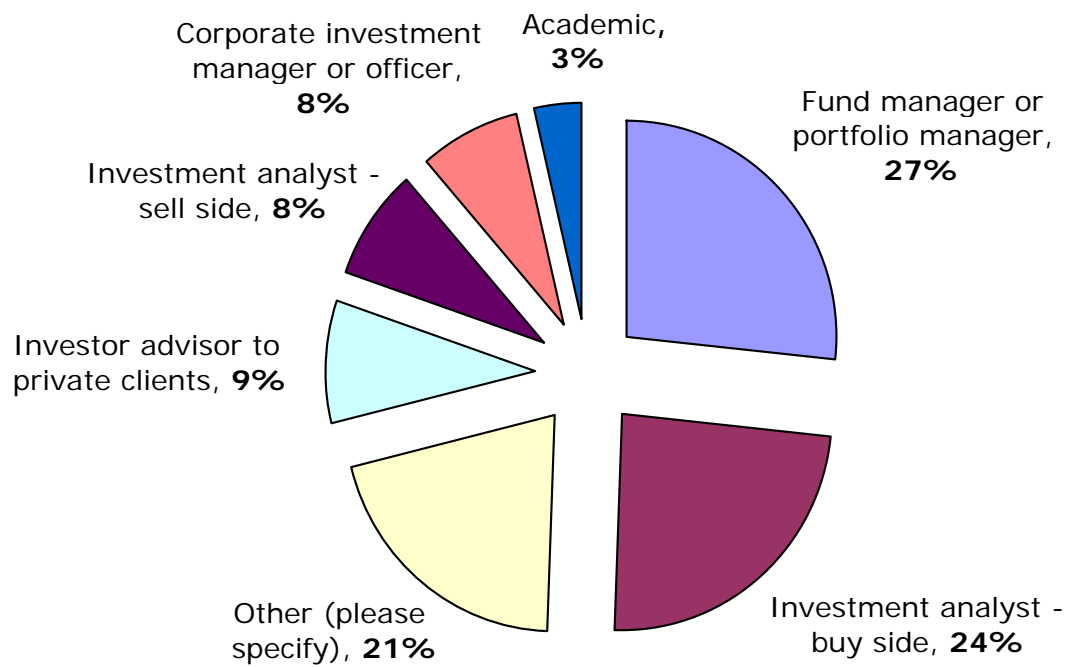
Profile of Survey Respondents
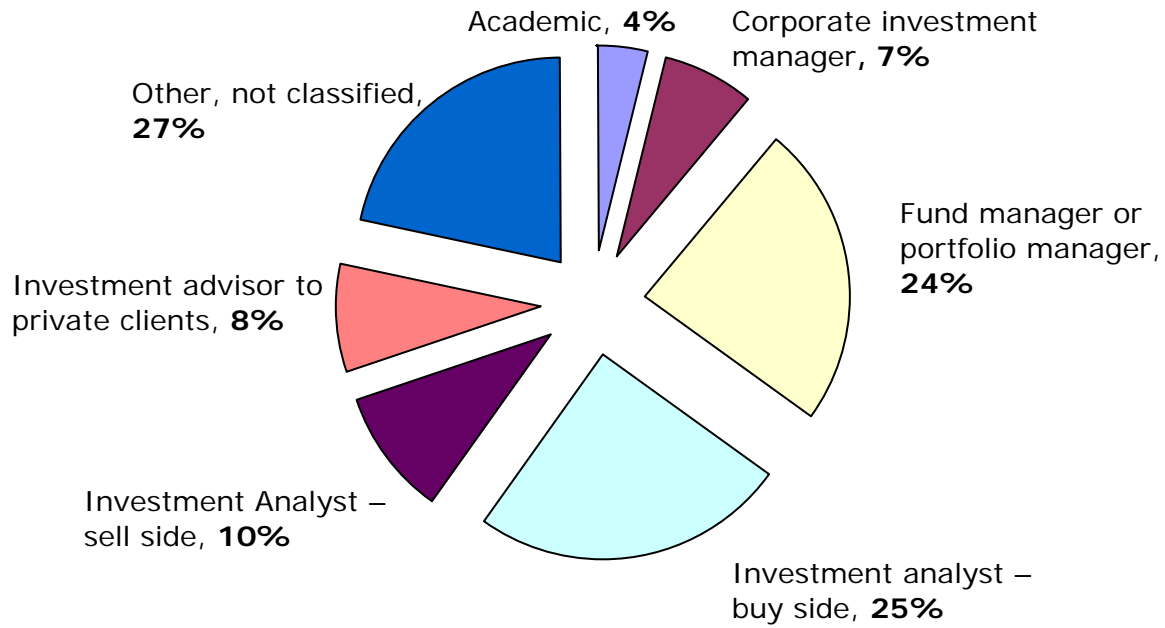
Job Position
27 percent of respondents self-identify as fund managers or portfolio managers, 24 percent as investment analysts on the buy-side, 9 percent as investor advisors to private clients, and 8 percent as investment analysts on the sell-side.

Respondent Profile: Job Position
n=862

- Corporate investment manager or officer, **8%**
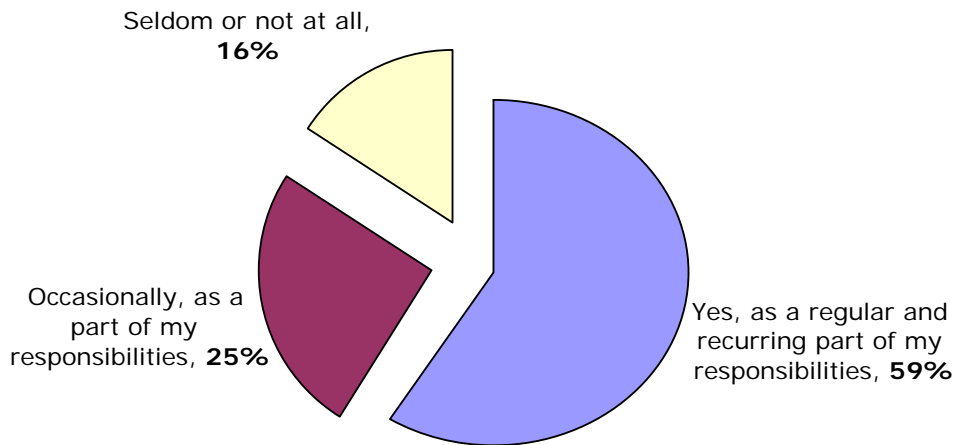- Academic, **3%**
- Fund manager or portfolio manager, **27%**
- Investment analyst - sell side, **8%**
- Investor advisor to private clients, **9%**
- Other (please specify), **21%**
- Investment analyst - buy side, **24%**

Respondent Profile Aware of XBRL: Job Position
N=354

Academic, **4%**

Corporate investment manager**, 7%**

Other, not classified, **27%**

Fund manager or portfolio manager, **24%**

Investment advisor to private clients, **8%**

Investment Analyst – sell side, **10%**

Investment analyst – buy side, **25%**

Research Frequency

The majority of respondents (59 percent) research or analyze publicly traded companies as a regular and recurring part of their responsibilities, 25 percent as an occasional part of their responsibilities, and 16 percent seldom or not at all. The percentage of the pool that regularly researches or analyzes publicly traded companies increased to 64% among those respondents aware of XBRL.

Respondent Profile: Research Frequency
n=859

Seldom or not at all, **16%**

Occasionally, as a part of my responsibilities, **25%**

Yes, as a regular and recurring part of my responsibilities, **59%**

Respondent Profile Aware of XBRL: Research Frequency
n=353

Seldom or not at all, **11%**

Occasionally, as a part of my responsibilities, **25%**

Yes, as a regular and recurring part of my responsibilities, **64%**
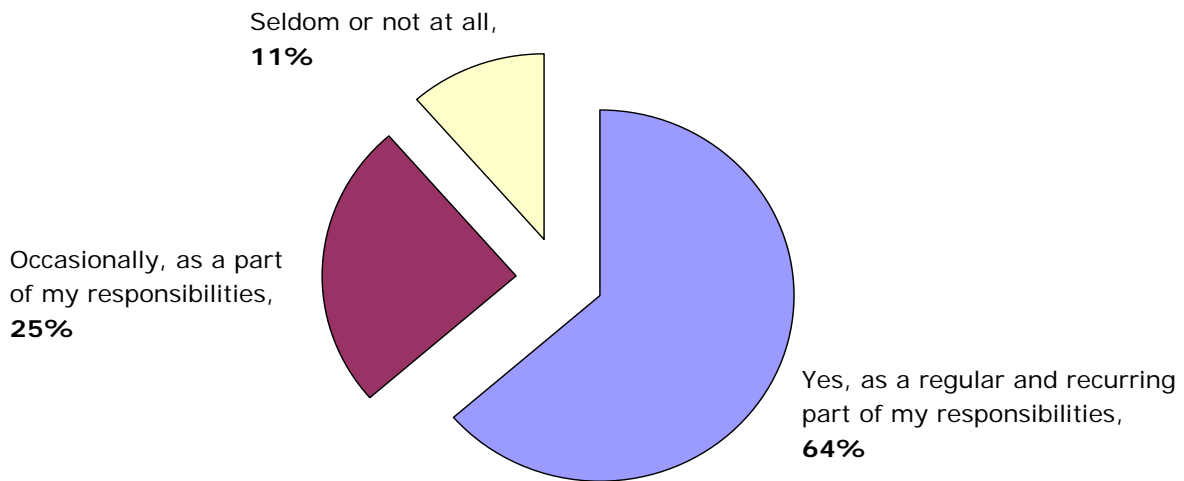
Investment Regions

92 percent of respondents indicate they track and analyze companies in various regions of the world and 8 percent indicate this is not applicable to them. Of those who track and analyze companies, the regions where respondents are the most active include the U.S. (72 percent), Continental Europe (36 percent), Canada (30 percent), and the U.K. (29 percent). The level of activity in these regions was even higher when viewing only the respondents aware of XBRL: the U.S. (78 percent), Continental Europe (39 percent), Canada (33 percent), and the U.K. (34 percent).
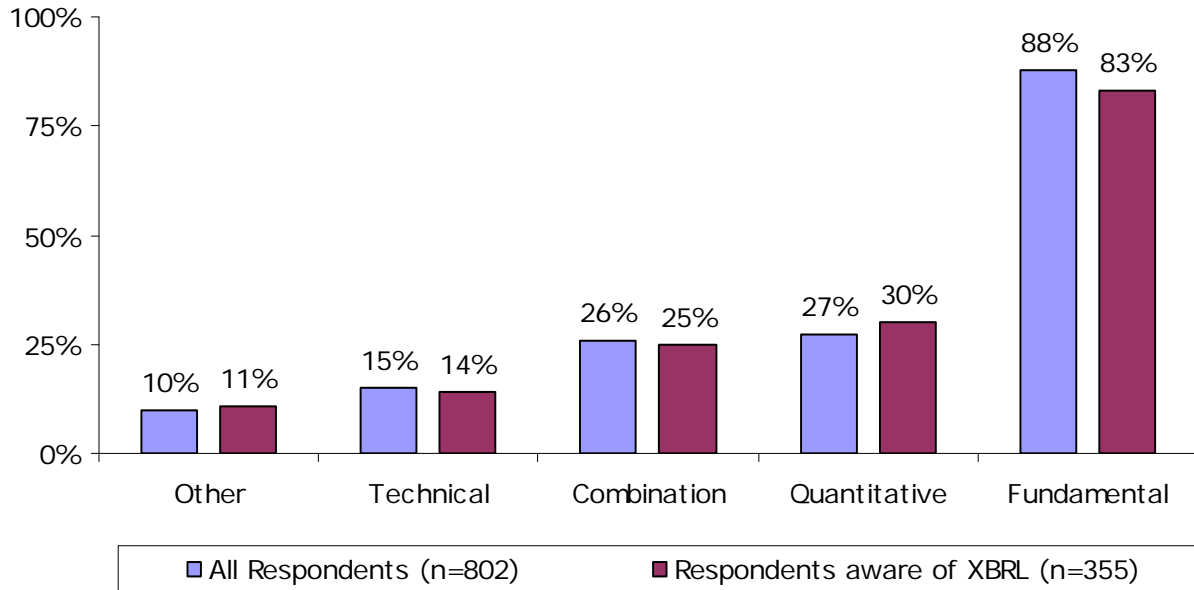
Respondent Profile: Investment Regions

Investment Regions	All Respondents (n=864)	Respondents Aware of XBRL (n =355)
North America: United States	72%	78%
Europe: Continental Europe	36%	39%
North America: Canada	30%	33%
Europe: United Kingdom	29%	34%
Asia Pacific: Japan	14%	16%
Asia Pacific: Australia/New Zealand	13%	13%
Asia: China Mainland	12%	12%
Asia Pacific: Hong Kong	12%	12%
Europe: Russia/Eastern Europe	12%	10%
North America: Mexico	11%	14%
Asia: India	10%	9%
Central/South America: Brazil	10%	9%
Asia Pacific: Singapore	9%	10%
Asia Pacific: All other	8%	8%
Asia: All other	8%	7%
Africa/Middle East: South Africa	7%	6%
Africa/Middle East: All other	6%	4%
Central/South America: All other	6%	6%

Investment Approaches

A detailed fundamental approach to investment analysis remains the primary evaluation method for respondents. When viewing these styles by job position, it is clear that specific groups also use alternative approaches as part of their recurring analysis. The academic community (n=30) indicated a higher willingness to use all of the techniques listed.

Respondents Profile: Investment Approach

Analysis by Job Position

Higher and Lower than Total %	Total %	Fund/ Portfolio Manager	Investment Analysts (buy-side)	Investment Analysts (sell-side)	Investment Advisors	Corporate Investment Officers	Academics	Other
Fundamental	88%	86%	91%	96%	90%	89%	93%	79%
Quantitative	27%	33%	20%	22%	26%	28%	43%	28%
Combination	26%	24%	23%	29%	26%	25%	29%	30%
Technical	15%	26%	10%	10%	18%	13%	25%	8%
Other	10%	9%	9%	7%	15%	16%	14%	7%

Exhibit A
Survey Methodology and Response Rate

The CFA Institute Centre for Financial Market Integrity formed an XBRL Working Group to draft a position paper on the use of XBRL tagged data in financial reporting. The objectives of surveying 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.

Methodology

The XBRL survey questionnaire was drafted by the CFA Institute Centre and reviewed by the XBRL Working Group and the CFA Institute Market Research Group. The survey contained 16 questions, was completely anonymous, and no personally identifying information, such as e-mail address or member number, is attached to or stored with the responses.

On 12 June, 2007, an e-mail invitation was distributed through InstantSurvey[12] inviting a sample of CFA Institute members to participate in the web-based survey. A total of 9,992 members were initially invited, and part way through the survey period a follow-up reminder was sent to non-respondents. The survey closed at midnight (Pacific Standard time) on 3 July, 2007.

The sampling was pulled from the CFA Institute member database from a target population of those members tagged with at least one of the following investment practice codes:

- PM: Portfolio Management

- FI: Fixed Income Analysis

- EA: Equity Analysis

- DA: Derivatives Analysis

- ACD: Academic (Dean)

- ACP: Academic (Professor)

The number of CFA Institute members in that target population is approximately 40,000; a random sample of 10,000 members was drawn from that list to comprise the pool for this survey.

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[12] InstantSurvey is a product of GMI (Global Market Insite, Inc.) focused on providing online research solutions to those interested in managing the research process themselves.

The following information was preloaded into InstantSurvey for analysis purposes:

- Membership status
- Years holding a CFA charter (groupings)
- Age (groupings)
- Region
- Country
- Primary society
- Investment practice codes

Respondent scores are calculated factoring in the importance they placed on source documents, parts of source documents, attributes of source documents, on knowing the nature/orientation of XBRL tagged data for various items, and on global convergence. A similar score is calculated for the level of effect or improvement on reviewing and evaluating companies' financial reports and other corporate disclosures the respondents expect as the result of XBRL tagged data.

These scores are calculated by multiplying the number of responses at each response level ("not important" to "very important") by a numerical value representing the response level ("not important"=1 to "very important"=5) then dividing by the total number of responses. Thus, the values range from 1 to 5, with 1 meaning all respondents rate the item as not important and 5 meaning all respondents rate the item as very important.

For purposes of calculating the response scores," not applicable" and "no opinion" responses are excluded from the results.
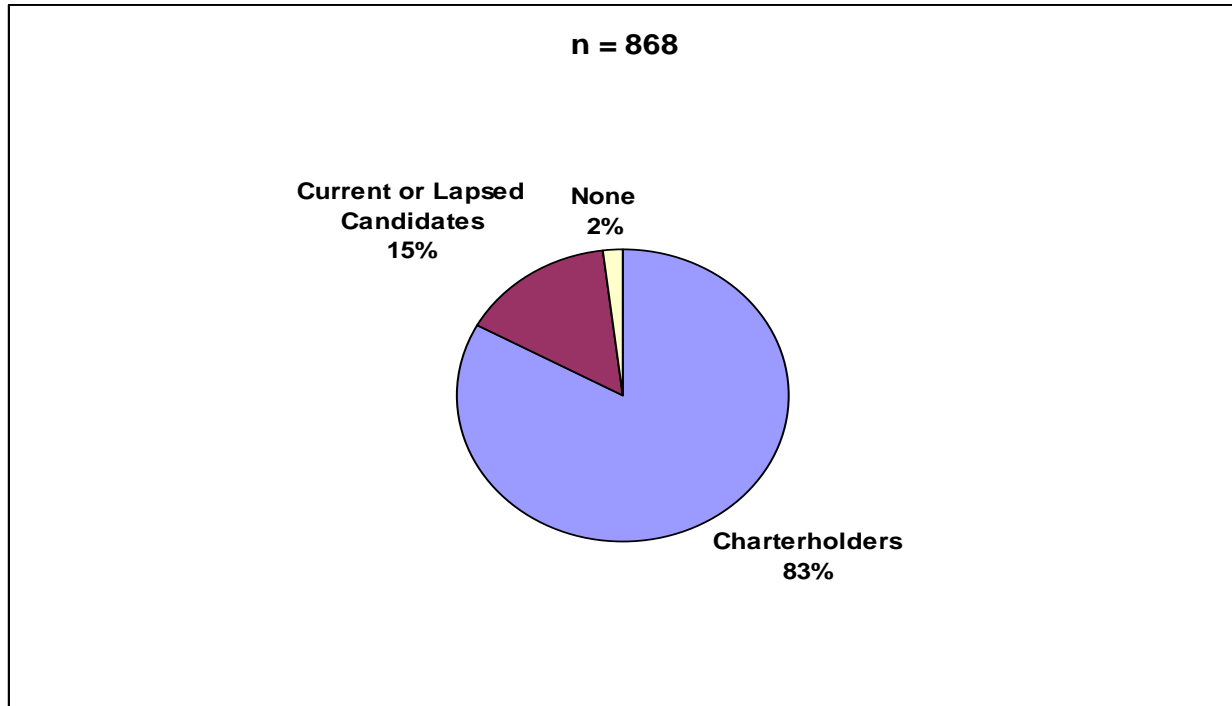
Response Rate

9,992 members were invited to participate in the survey, and 9,564 e-mail invitations were successfully delivered. While 868 accessed the survey, for purposes of analysis and reporting 864 valid responses have been included, for a response rate of 9.03 percent. The following table displays the response rates by previously identified respondent demographics. Level III CFA Program candidates had the highest response rate of all demographic groups (16%).

Response Rate by Preloaded Demographics

Membership Status

83 percent of respondents are CFA charterholders, 15 percent are current or lapsed candidates for the CFA charter, and the remaining 2 percent are CFA Institute members who are neither charterholders nor candidates.


n = 868

Current or Lapsed Candidates 15%

None 2%

Charterholders 83%

| Membership Status	Total Invited	Responded	Response Rate	Aware of XBRL	Response Rate
Level I Candidate*	105	4	4%	2	2%
Level II Candidate*	354	40	11%	26	7%
Level III Candidate*	477	78	16%	22	5%
CFA Charter Pending	114	9	8%	4	3%
CFA Charterholders	8,665	716	8%	304	4%
CFA Institute Member (Not Enrolled in CFA Program)	277	17	6%	7	3%
TOTAL	9,992	864	9%	355	4%
* Candidate includes those currently registered or eligible to register for the specific level					

Years Holding the CFA Charter

The majority of respondents who are charterholders have held their charter for less than 10 years (66 percent); 17 percent have held the charter for 10 years or more and 17 percent do not have a charter.

Respondent Profile: Years Holding the CFA Charter
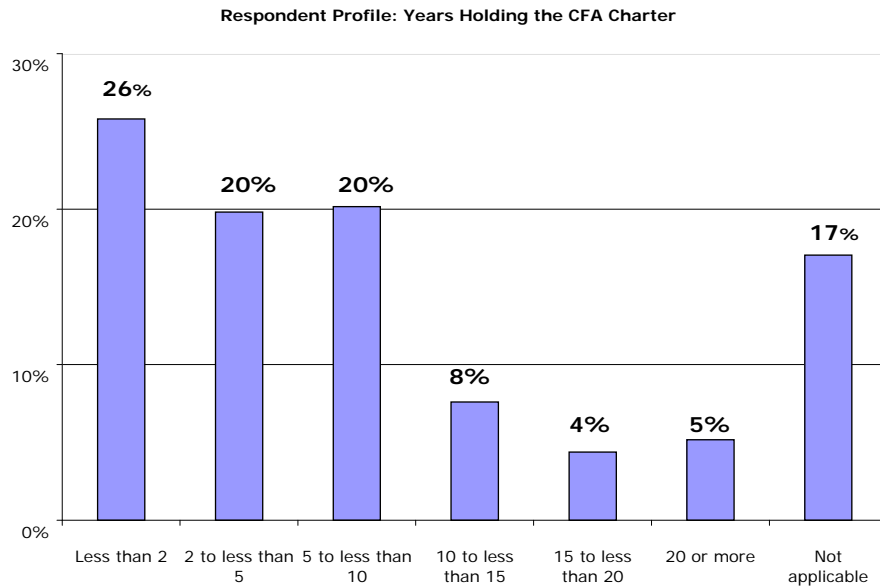
Years Holding the CFA Charter	Total Invited	Responded	Response Rate	Aware of XBRL	Response Rate
Less than 2	2,034	223	11%	89	4%
2 to less than 5	2,323	172	7%	69	3%
5 to less than 10	2,564	173	7%	75	3%
10 to less than 15	863	66	8%	36	4%
15 to less than 20	459	37	8%	16	3%
20 or more	422	45	11%	19	5%
Not applicable	1,327	148	11%	51	4%
TOTAL	**9,992**	**864**	**9%**	**355**	**4%**

Age

61 percent of respondents are younger than 40 years old, 34 percent are older than 40, and 5 percent did not provide this information.

Respondent Profile: Age
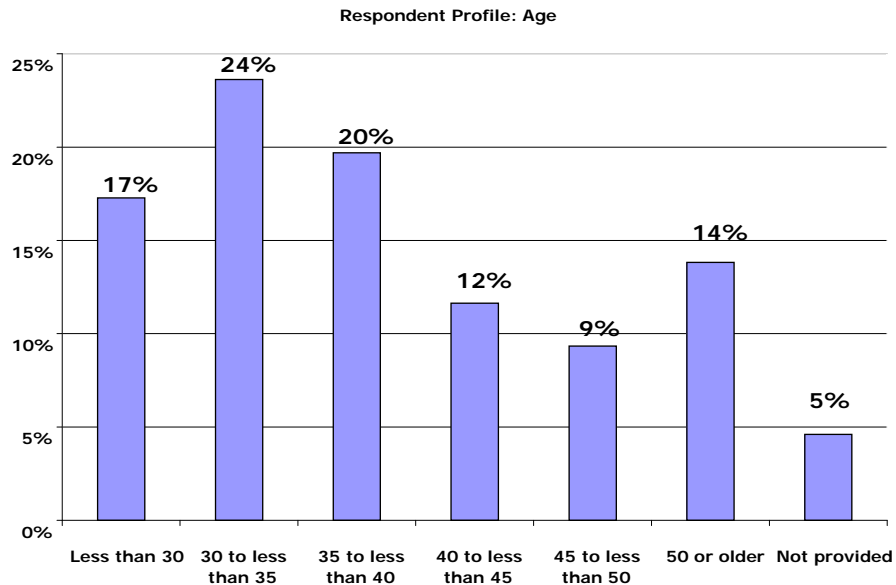
Age	Total Invited	Responded	Response Rate	Aware of XBRL	Response Rate
Less than 30	1,209	150	12%	47	4%
30 to less than 35	2,426	205	8%	80	3%
35 to less than 40	2,326	170	7%	67	3%
40 to less than 45	1,444	100	7%	47	3%
45 to less than 50	946	81	9%	38	4%
50 or older	1,046	118	11%	56	5%
Not provided	595	40	7%	20	3%
TOTAL	9,992	864	9%	355	4%

Analysis by Frequency of Research

	Less than 30	30 to less than 35	35 to less than 40	40 to less than 45	45 to less than 50	50 or older
Performs research on a regular and recurring basis	60%	56%	70%	58%	56%	45%
Performs research occasionally	21%	15%	10%	22%	15%	14%
Performs research seldom or not at all	19%	29%	20%	20%	30%	41%

Analysis by Job Position

	Less than 30	30 to less than 35	35 to less than 40	40 to less than 45	45 to less than 50	50 or older
Fund/Portfolio Manager	22%	29%	34%	31%	30%	21%
Investment Analysts (buy-side)	24%	34%	16%	11%	13%	33%
Investment Analysts (sell-side)	14%	7%	2%	4%	4%	12%
Investment Advisors	5%	7%	15%	15%	18%	4%
Corporate Investment Officers	7%	8%	12%	12%	7%	5%
Academics	2%	1%	2%	5%	12%	3%
Other	25%	16%	19%	22%	17%	22%

Region

58 percent of respondents live in the U.S., 15 percent in Europe, 9 percent in Canada, and 8 percent in Pacific Asia.

Respondent Profile: Region
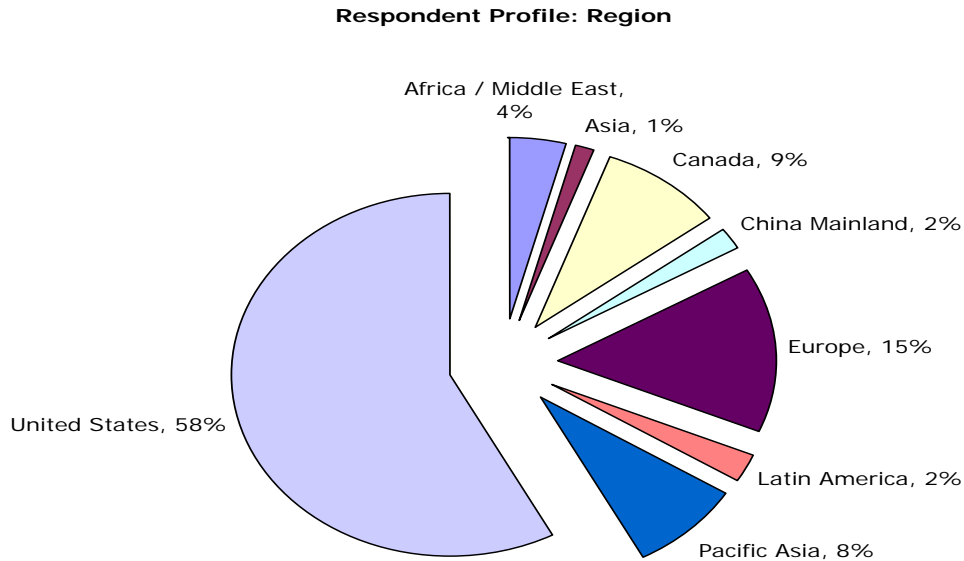
Region	Total Invited	Responded	Response Rate	Aware of XBRL	Response Rate
Africa / Middle East	234	36	15%	13	6%
Asia	69	12	17%	9	13%
Canada	1,042	80	8%	29	3%
China Mainland	149	16	11%	4	3%
Europe	1,556	129	8%	44	3%
Latin America	115	21	18%	6	5%
Pacific Asia	1,069	71	7%	19	2%
United States	5,758	499	9%	231	4%
TOTAL	**9,992**	**864**	**9%**	**355**	**4%**

Job Position

While the internal codes of the CFA Institute membership database differ slightly from the positions queried in the survey, they did allow for targeting the survey to individuals likely to use financial reports. The difference in the classifications is due to some respondents changing companies or shifting duties because of promotions. Thus, the responses were examined based on the job position respondents identified in the survey rather than the membership database entries.

Members of the two groups representing the academic community posted the greatest response rate of both total respondents and the subset aware of XBRL. Interestingly, there were five members of this group who selected a current job position other than academic. Another seven respondents indicated academic from the other groups identified from the database.

Investment Practice Code	Total Invited	Responded	Response Rate	Aware of XBRL	Response Rate
PM-Portfolio Manager	3,565	266	7%	93	3%
FI-Fixed Income Analyst	1,964	178	9%	71	4%
EA-Equity Analyst	3,386	329	10%	159	5%
DA-Derivative Analyst	863	62	7%	20	2%
ACD-Academic	2	2	100%	1	50%
ACP-Academic Professional	212	27	13%	11	5%
TOTAL	9,992	864	9%	355	4%

Analysis by Job Position

	Total	Fund/ Portfolio Manager	Investment Analysts (buy-side)	Investment Analysts (sell-side)	Investment Advisors	Corporate Investment Officers	Academics	Other
PM-Portfolio Manager	266	130	28	3	52	31		21
FI-Fixed Income Analyst	178	38	59	10	1	15	1	54
EA-Equity Analyst	329	55	110	56	20	17	5	66
DA-Derivative Analyst	62	7	8	2	5	5	1	34
ACD-Academic	2						1	1
ACP-Academic Professional	27		1		2		22	2
Total	864	230	206	71	80	69	30	178