# SigmaConso

I X B R L

Practical guide to a smooth transition to iXBRL: easy and quick iXBRL filing with Sigma Conso

The European Securities and Markets Authority (ESMA) has made iXBRL format mandatory for consolidated financial statements for groups publishing their accounts under IFRS, from January 1st, 2020 onwards. In this guide, we will provide a definition of this publication format, see how it differs from the XBRL format and look at how to implement this new requirement in a simple way.

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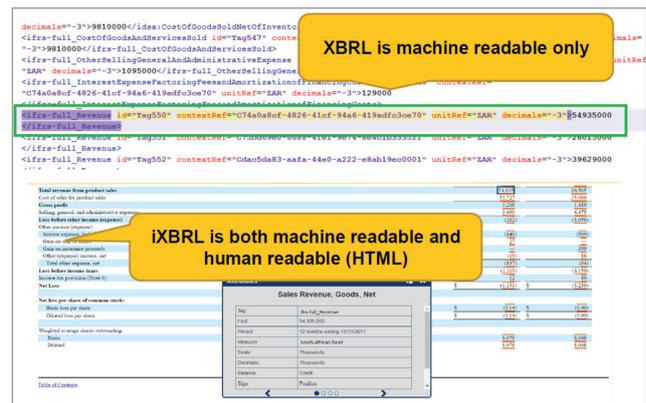
1) What is iXBRL? How is it different from XBRL?

XBRL (for eXtensible Business Reporting Language) is an open source **financial reporting digital format**. This format, which has been adopted by more than 100 financial regulators around the world, **makes data machine-readable**, increases data accuracy, and facilitates comparisons and analysis.

However, the XBRL format has one drawback: it can be interpreted by machines only.

An XBRL document is composed of XML files that require a specific software component (a rendering engine) to present the data in a human-readable format.

A rendering engine is a software component that translates the markup language in plain text.

About iXBRL

The Inline XBRL (iXBRL) format is an "upgrade" of the XBRL specification, **to make documents readable for both humans and machines.**

iXBRL, also called xHTML, is a format in which XBRL data is embedded in an HTML file. The idea behind the development of iXBRL is to allow companies and people in charge of producing financial statements to **keep the layout of the original document**, while including:

- **XBRL tags**, to make the information accessible to machines;
- **xHTML tags**, to make the information human-readable.

iXBRL was originally developed by XBRL International to meet the requirements of the UK's HMRC (Her Majesty's Revenue and Customs).

iXBRL vs. XBRL

Parameters	XBRL	iXBRL
Readability	Machine readable	Human and machine readable
File type / exntension	Typically has .XML file extension	Typically has .HTML/.xHTML file extension. XBRL metadata is embedded in the file to facilitate rendering.
Encoding Standard	XML	XML and XHTML
Output Type	Tabular	"What you see is what you get"
Rendering Options	Special applications (XBRL viewers) required for rendering on display devices	Human readable layer rendered directly on browsers and printers. XBRL viewer would be needed only to view the XBRL layer.
Formatting Options	Limited flexibility	High flexibility to format contents
Complexity	Less complex compared to iXBRL	Complex compared to XBRL
Filing Process	Multi-step: XBRL (machine-readable) and HTML (human readable) instance documents to be filed separately	Single step: both human readable and machine-readable formats are available in a single instance document.

Implementation of iXBRL around the world, in 7 major steps

1. **April 2011**: Companies in the UK started filing their annual accounts and tax returns in iXBRL format with their tax authorities (HMRC).
2. Japan's Financial Services Agency (JFSA) mandated XBRL in 2008, which will be replaced by iXBRL **in 2013**.
3. **In 2012**, the Revenue Commissioners of Ireland (RCI) offered its taxpayers the option of filing their financial statements in iXBRL format on a voluntary basis. Filing in iXBRL format became mandatory in **October 2014.**

Other countries will follow suit the following years:

4. **2015**: Denmark and Australia implemented the iXBRL format.
5. **2018**: South Africa
6. **2019**: United States and Malaysia
7. Finally, ESMA in Europe makes the iXBRL format mandatory for the filing of consolidated financial statements for groups publishing their accounts under IFRS, for any financial year beginning on or after **1 January 2020.**

2) Implementation in Europe: the milestones

In 2017, ESMA (European Securities and Market Authority) decided to adopt the European Single Electronic Format (ESEF) for the submission of IFRS consolidated statements for accounting periods starting 1st of January 2020. The purpose of ESEF is to **facilitate the accessibility, analysis and comparability of annual financial reports.**

The ESEF specify that:

• The XBRL 'tags' shall be embedded in the XHTML document using the Inline XBRL technology which allows to encapsulate the XBRL tags in the XHTML document within a single document set;
• A set of XBRL tag to be used is provided by ESMA in a form of an **XBRL taxonomy.**

For the first two years, only the primary financial statements shall be mandatorily marked up; afterwards the entire set of IFRS consolidated financial statements shall be marked with XBRL tags.

3) The benefits of iXBRL

Benefit #1: A single document to be filed

The digital reporting in iXBRL will allow groups to move away from a dual reporting in HTML and XBRL format to a single reporting in structured format (iXBRL).

With this single format, you no longer have to worry about inconsistencies or differences in the documents you file with the financial authorities.

Benefit #2: A smoother filing process

With only one document to file, preparation is simpler and quicker, given the iterative nature of the financial statement preparation process, which involves frequent revisions and updates. With the switch to iXBRL, you make all these changes in a single document (iXBRL) instead of two documents in parallel (HTML and XBRL).

Benefit #3: Easier to review

With iXBRL, review is simple and intuitive, since the tagging is in documents familiar to Finance departments. CFOs can easily read and view the tags in the document itself. This process is simpler than reviewing a document in XBRL format, which requires either Excel output or the use of an XBRL reader to review the tags, which are not very explicit out of context.

4) SaaS, a smart way to implement iXBRL

What are the benefits of using SaaS for digital reporting in iXBRL? This is what SaaS offers:

An efficient process

The overall preparation of the financial statements involves the collaboration of several stakeholders and requires frequent changes and updates, while publication deadlines are tight.

SaaS solutions offer a centralized platform where everyone works transparently and in real time in a collaborative mode. All users, including your external service providers, always have access to the latest version of the document.

By using a SaaS platform, you save time, get streamlined processes and happier teams.

Linked spreadsheets, easy updates and embedded XBRL tags

Most SaaS solutions also allow you to update your figures much more easily, as you work on the project.

You change a figure in one place, and the change is reflected wherever needed in the document. Your figures remain linked at all times, throughout the document, regardless of the output format.

One single filing, a unique source of truth for your stakeholders

Most SaaS platforms allow you to generate multiple output formats from the document you are working on. This means that any change you make to your source document is instantly reflected in all output formats (XBRL/iXBRL, HTML, Word, PDF). This allows you to make your filings with the administration, send a communication to shareholders, make your annual report available for download on your site in PDF format (or even better, offer an interactive document in iXBRL), all in near real time.

5) Your next steps

For your financial reporting in iXBRL, Sigma Conso offers an efficient and certified solution: Iris Carbon®. Sigma Conso has chosen to partner with Iris Carbon®, as this company is a global leader in regulatory compliance reporting solutions. They also have a high quality score (see picture below).

The company has a long experience of reporting in XBRL (since 2005) and in iXBRL format (since 2011). Iris Carbon® also participated in the ESMA iXBRL pilot project in 2017.

Iris Carbon® quality score (by XBR Logic):

XBRL QUALITY SCORE - Q4 2019		‹CARBON
FILING SOFTWARE	**QSCORE**	
IRIS Carbon	96.7	
DataTracks	93.8	
P3 Data Systems	93.4	
Certent	91.6	
EdgarFilings Profile	91.5	
CompSci	91.5	
DFIN	91.2	
Workiva	90.5	
Toppan Merrill	90.1	
Ez-XBRL	89.4	
Thunderdome	89.0	
EZ-Editor	88.3	
Electro Filings	88.2	
Qxi	85.9	
GoXBRL	85.4	
Genesis Filings	85.2	
Novaworks Software	84.5	
Advance Computer Innovations	76.0	
SECFly, Inc.	73.5	
UBMatrix	71.4	
NTDAS, Inc.	40.4	
SmartXBRL	34.0	
Q4 2019	87.0	
Q3 2019	88.0	
Q2 2019	88.5	
Q1 2019	87.3	
Q4 2018	88.7	

Seek quality? Choose IRIS CARBON®

**Using Sigma Conso iXBRL (powered by Iris Carbon®),
you benefit from a certified solution with local support.**

**Do you want to know more about the
iXBRL solution? Contact us now!**

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