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Update on XBRL activities in Asia

---- Focusing on XBRL Asia Round Table and EDINET in Japan

June 14, 2023

Yoshiaki Wada

Vice Chair of the XBRL International Board of Directors

Chair of XBRL Asia Round Table

Senior Manager, NTT Data

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About Myself

- **1982~2010:**

  Worked for the Bank of Japan
  - Economic Research Department
  - IT Department
  - Bank Supervision Department
  - XBRL Project Leader

- **2010~**

  Working for NTT Data Corporation as an IT Specialist
  - Building Regulatory Reporting System especially based on XBRL
  - Development of No-SQL DWH
  - Vice Chair, Board of Directors of XBRL International
  - Chair for XBRL Asia Round Table

- **2020~**
  - Specially appointed professor, Business School of Rikkyo University, Japan
  - Guest lecturer, Tokyo Medical and Dental University, Japan
  - Guest lecturer, Bandung Institute of Technologies, Indonesia

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XBRL Asia Round Table update

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History of XBRL Asia Round Table

The XBRL Asia Roundtable (XART) brings together XBRL experts, project leaders, and national regulators from throughout Asia and Oceania to discuss topics of common interest, including project updates and regulatory developments. XART is not only for XBRL society but also open to anyone who wants to modernize information supply chain.

The first meeting was held in March 2010, at the Bank of Japan in Tokyo

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Collaboration with Asian Development Bank (ADB)

XART have been held once every year and the number of attendees gradually increased.

On the other hand, we found the necessity of new blood from different business/project field.

The answer was・・・

Collaboration with ADB

ADB ASIAN DEVELOPMENT BANK

Asian Development Bank, （**ADB**） is an International Bank for economic development in Asia and Pacific region. It also aims economic cooperation and supports the growth of member developing countries.

One of ADB's important activities is **ASEAN+3 Bond Market Forum (ABMF)** . It functions to integrate the ASEAN+3(Japan, Korea and China) markets through standardization and harmonization of regulations and market practices as well as market infrastructures relating to cross-border bond transactions.

Then our joint work and event started

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10th XBRL Asia Round Table jointly held with ADB ABMF

10th XART was held in June 2019 in Tokyo, and more than 120 people joined.

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11th XART in India

After 3 years blank period due to COVID-19, 11th XART was held as XBRL-solo event in Mumbai, November 2022 , supported by ICAI

More then 70 people joined in person and via web.

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12th XART in Tokyo (to be jointly held with ADB)

12th XART will be again jointly hosted with ADB, in Tokyo

The event is scheduled from July 24th to 27th

The main topics of the event is sustainable finance and digital data

Please register from below URL

https://www.xbrl.org/xart2023

Dates	The theme of the day	Venue
24 July	How can we develop an enabling framework for sustainable finance, especially transition finance? Co-organized with APFF	Shoken Kaikan
25 July	XBRL Asia Round Table Co-organized with XBRL	Shoken Kaikan
26 July	ABMF updates (Sub Forum 1 and Sub Forum 2)	JICPA Hall
27 July	How will digitalization and digital assets impact Asian financial markets? Co-organized with ABLI	JICPA Hall
28 July	Cross-Border Settlement Infrastructure Forum (Participation is restricted to central banks, CSDs, SECs, government officials only)	ADBI

PRELIMINARY DRAFT
DAY 2 – 25 JULY 2023
HOW TECHNOLOGY CAN HELP SUSTAINABLE FINANCE?

TIME	PROGRAM
	Joint Session with XBRL Asia Roundtable
09:00 – 09:20	**Registration**
09:20 – 09:30	**Welcome Remarks** by **Satoru Yamadera**, Advisor, ADB / **Yoshiaki Wada**, Chair-XBRL Asia Round Table, Vice-Chair, XBRL International Board of Directors
09:30 – 10:10	**Session 5: Fireside chat: Sustainability Reporting and Assurance** Wes Bricker, Chair, XBRL International Board of Directors, Vice Chair at PwC & John Turner, CEO, XBRL International
10:10 – 10:50	**Session 5: Keynote Address** Japanese Financial Services Agency (JFSA)
10:50 – 11:10	*Coffee Break*
11:10– 11:50	**Session 6: Keynote Address: Importance of disclosure in sustainable finance** Hiroshi Komori, ISSB member
11:50– 12:30	**Session 6: How XBRL can support sustainable finance** - Advancing CSO Decision-making through XBRL and LLM by Mr. Kento Sasano, Researcher, Keio Research Institute at SFC, Researcher, Sustainability Research Institute CEO, Scrumy Inc.
12:30 – 14:00	*Lunch (Japanese participants are requested to eat lunch in the vicinity of the venue)*
14:00 – 15:30	**Session 7: Case studies in Asia** - Analysis of Key Audit Matter using Text Mining : Evidence from Japan by Mr. Kenichi Yazawa, Professor, Aoyama Gakuin University - Introducing Japanese Digital Invoice and the possibility of expansion of iXBRL field by Mr Satoshi Kondo KPMG AZSA LLC - Analytical Showcase of XBRL data - Discussion on XBRL reports filing infrastructure
15:30 – 15:45	*Coffee Break (venue to be determined)*
15:45 – 16:45	**Session 8: Case studies in Asia** Project updates from regulators and jurisdictions in the region Oman, Indonesia, Taiwan, Magnolia, India
16:45 – 17:00	**Wrap-up by ADB**

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Japanese EDINET update

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XBRL use cases in Japan

National Tax Agency of Japan	Bank of Japan	Tokyo Stock Exchange	Financial Service Agency of Japan	Ministry of Environment of Japan
国税庁	日本銀行	TOKYO STOCK EXCHANGE	金融庁 Financial Services Agency	環境省 Ministry of the Environment
e-Tax	BOJ-Info	TD-Net,	EDINET	Environment
Live Use	Used until FY2022	Live Use	Live Use	POC until FY2020

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What is EDINET?（1）

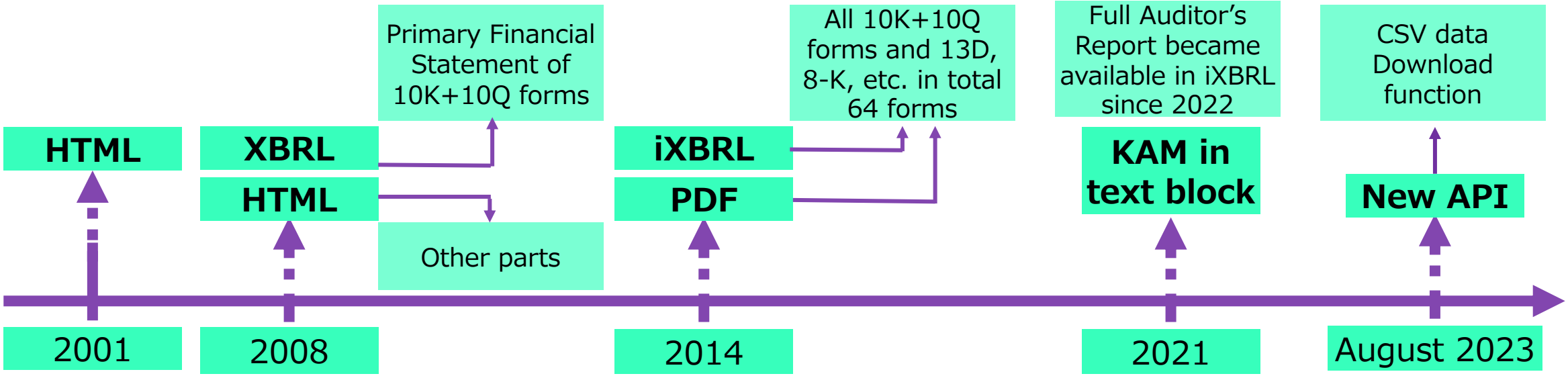
EDINET is the abbreviation of Electronic Disclosure for Investors' NETwork

Financial reports disclosure service, provided by Japan Financial Service Agency **(JFSA)**

Covering more than 5000 listed companies and 3000 funds

The Service started in June 2001 and gradually expanded its coverage and functions

Project history



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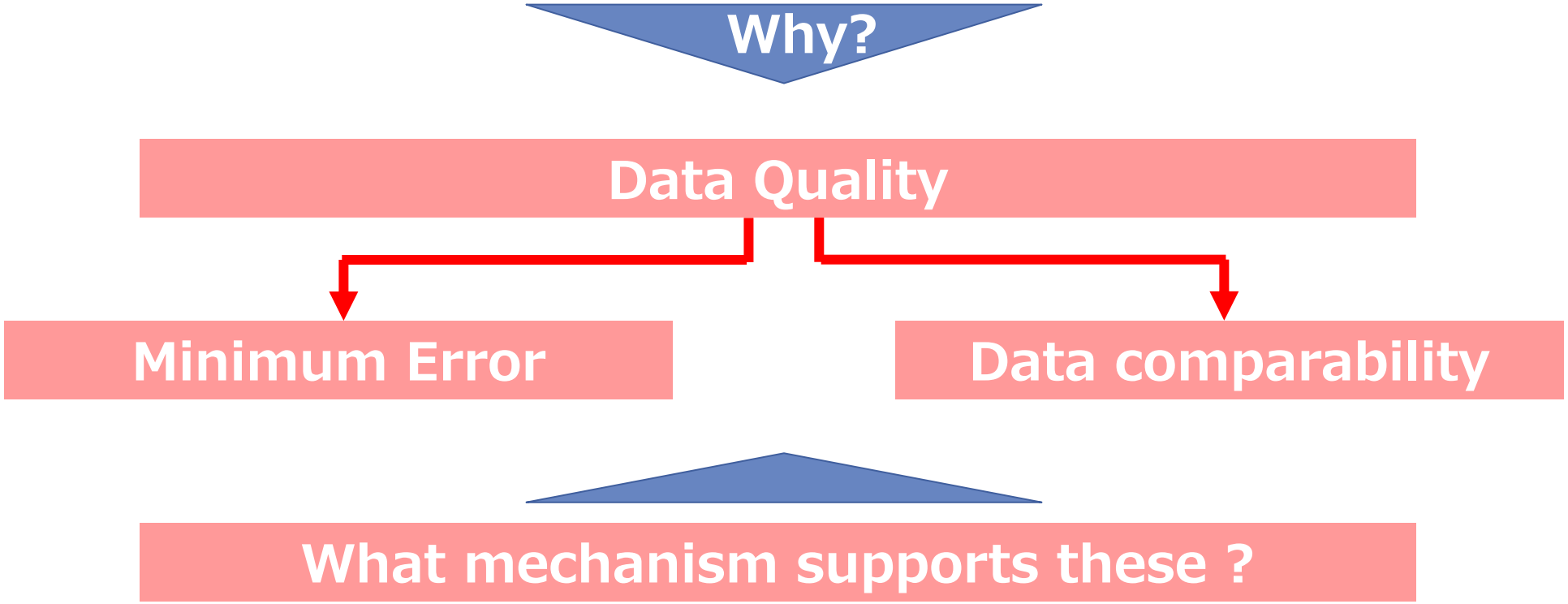
What is EDINET?（2）

Special features of EDINET

EDINET is well known as one of the most successful case of XBRL based financial disclosure service



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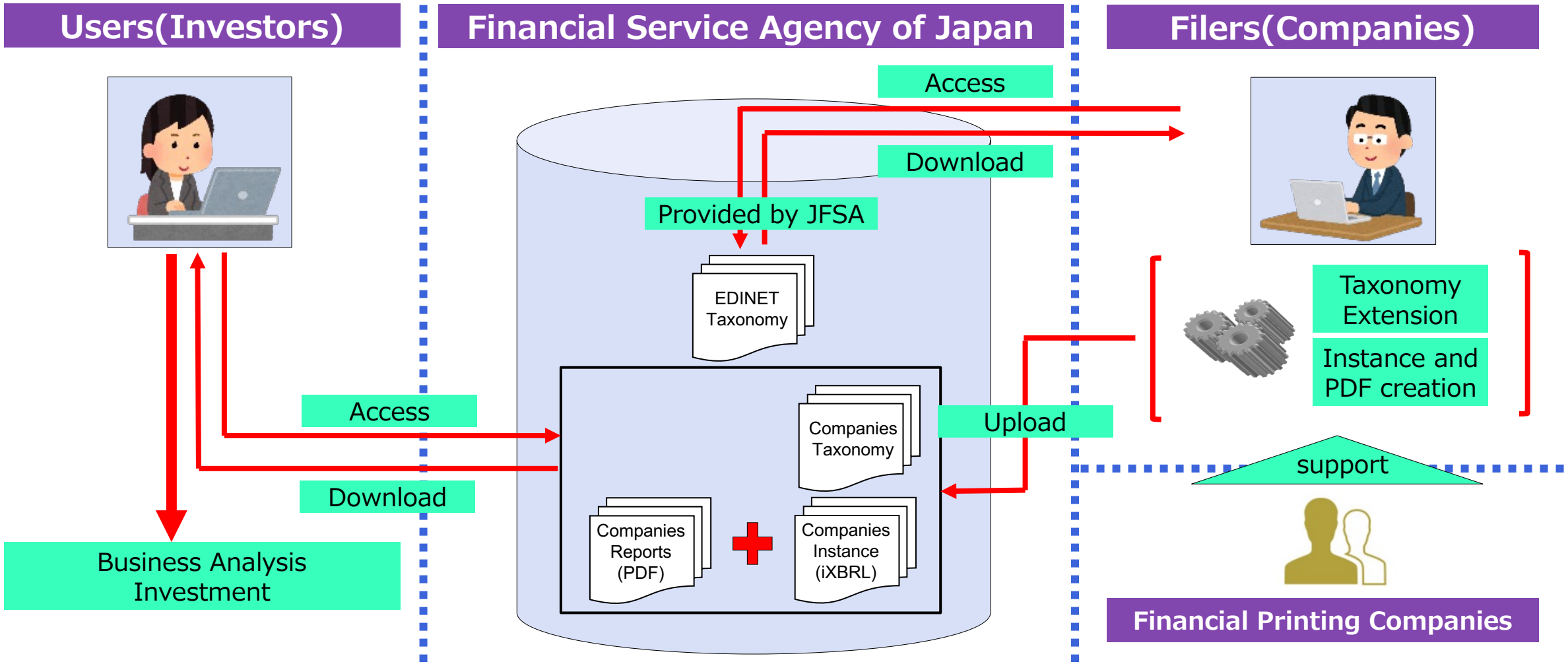
Mechanism of EDINET（1）

Mechanism of EDINET



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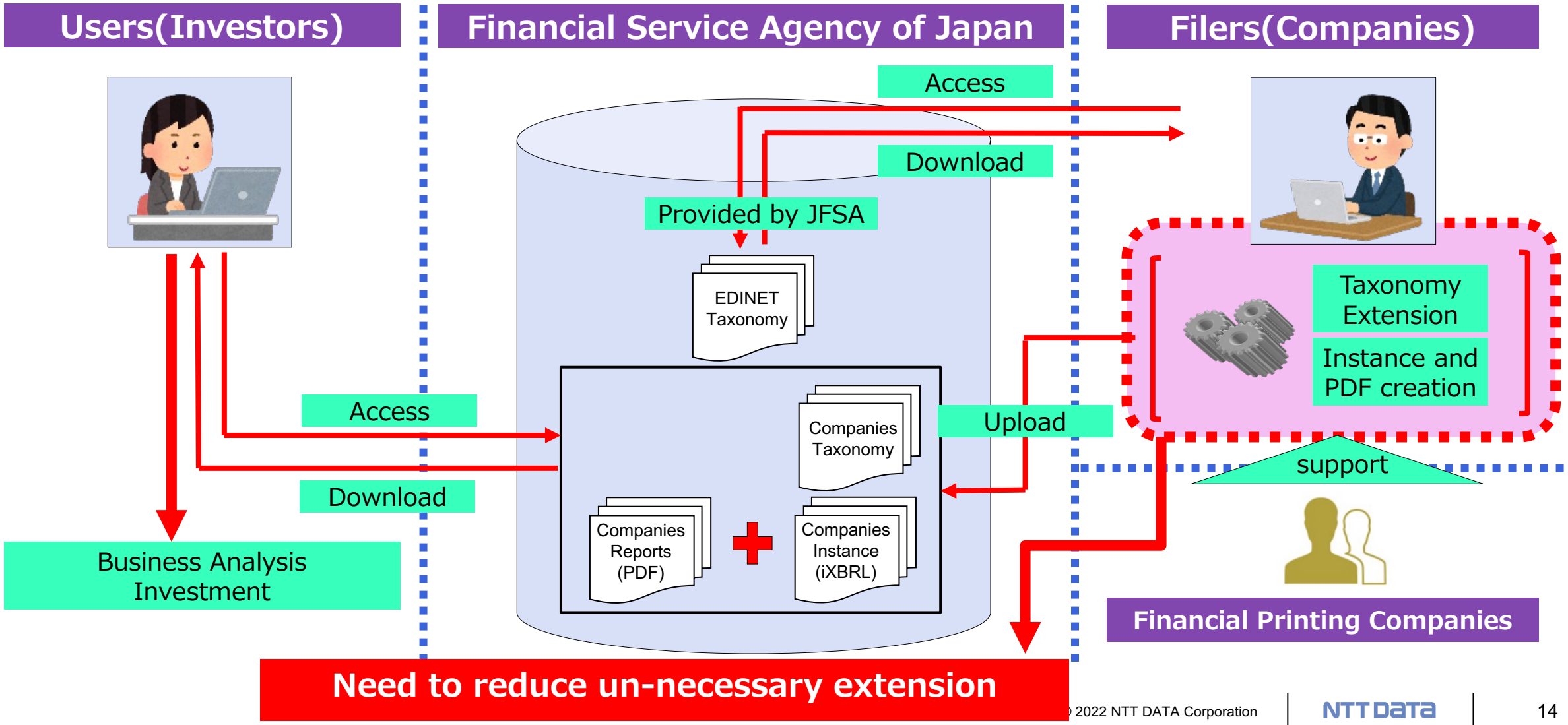
Mechanism of EDINET（1）

Mechanism of EDINET



Mechanism of EDINET（2）

Key factors for data quality : Data comparability

Needs for Extension | **Needs for Extension Control**

How to harmonize?

Two steps harmonization

Initial Standardization

Least common multiple element title for EDINET standard Taxonomy

Individual Advisory

Consulting advice to individual company by official printing companies

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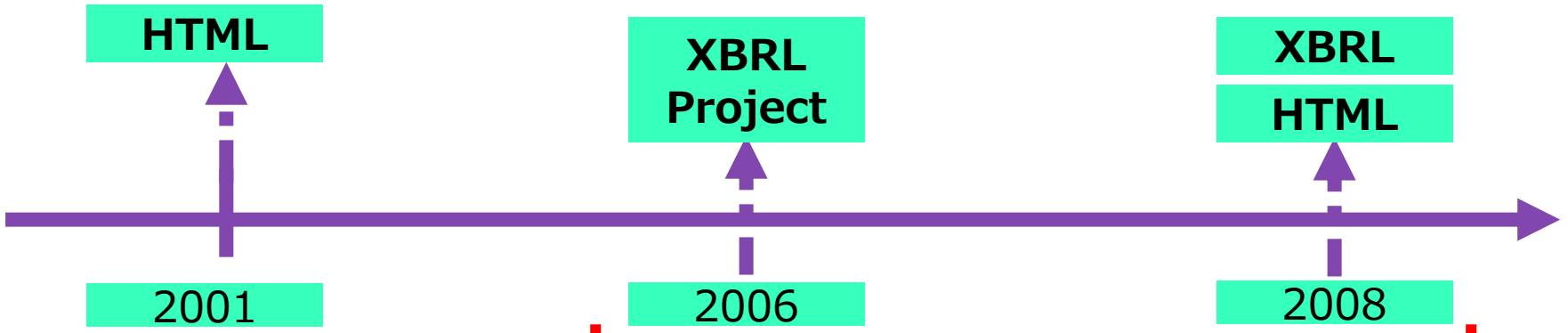
Mechanism of EDINET（3）

EDINET Taxonomy design process



Intensive 2 years work for filtering/standardizing the AS-IS accounting titles

Least common multiple element title

Reviewed 50,000 accounting titles gathered from 5 years annual report by 4,000 companies

Filtering and eliminating the redundant titles and finally standardized to 4,600 titles

EDINET Taxonomy

More than 90% of redundancy was eliminated

Mechanism of EDINET（3）

EDINET Taxonomy design process

All these works were conducted by the joint team from JFSA, Industry and XBRL Japan

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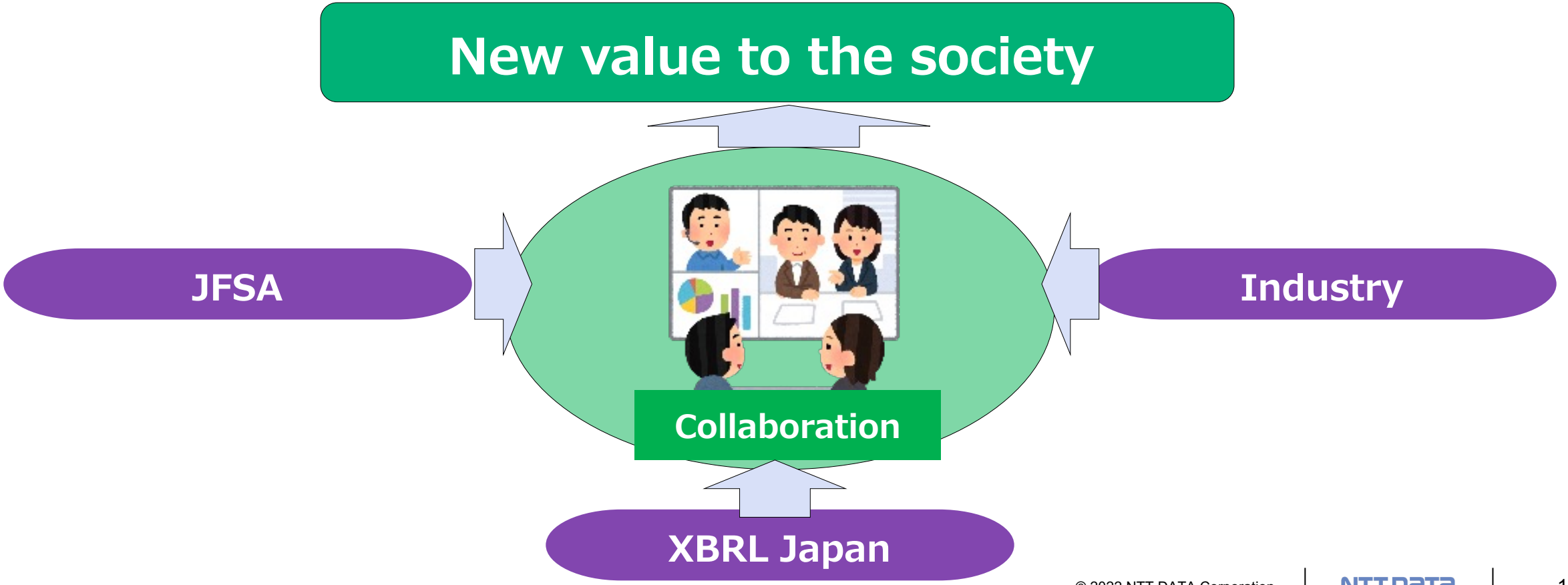
An implication for better disclosure service

Importance of Value Co-creation process in data supply chain

EDINET history was created not only by JFSA, but also by the collaboration across the society



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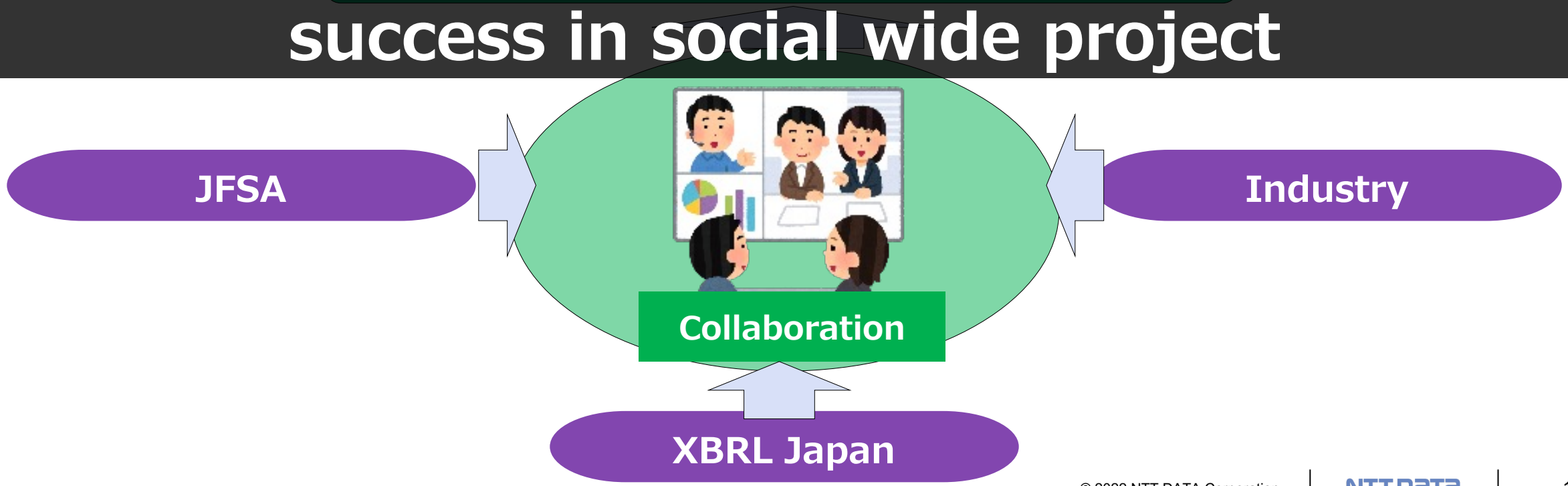
An implication for better disclosure service

Importance of Value Co-creation process in data supply chain

EDINET history was created not only by JFSA, but also by the collaboration across the society

These whole processes are called “Value Co-creation” and play important roles for the success in social wide project



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Latest challenges: Implementation XBRL for KAM (1)

KAM (Key Audit Matter) has been included as a part of EDINET in iXBRL

- ✓ The aim is to improve the transparency of the audit process.
- ✓ The auditor shall describe the matters which they seem particularly important through the audit process as KAM in the audit report.
- ✓ In Japan, since the fiscal year ending at March 2021, KAM has been required to be included in audit reports under the Financial Instruments and Exchange Act.
- ✓ Companies are responsible for filing Inline XBRL Annual Securities Reports on EDINET, which include Audit Reports.
- ✓ The company inputs the Audit Report received from the auditor into the disclosure document and tags it in iXBRL format.
- ✓ Auditors are expected to check if proper tagging is in place, before the company submits to EDINET system.

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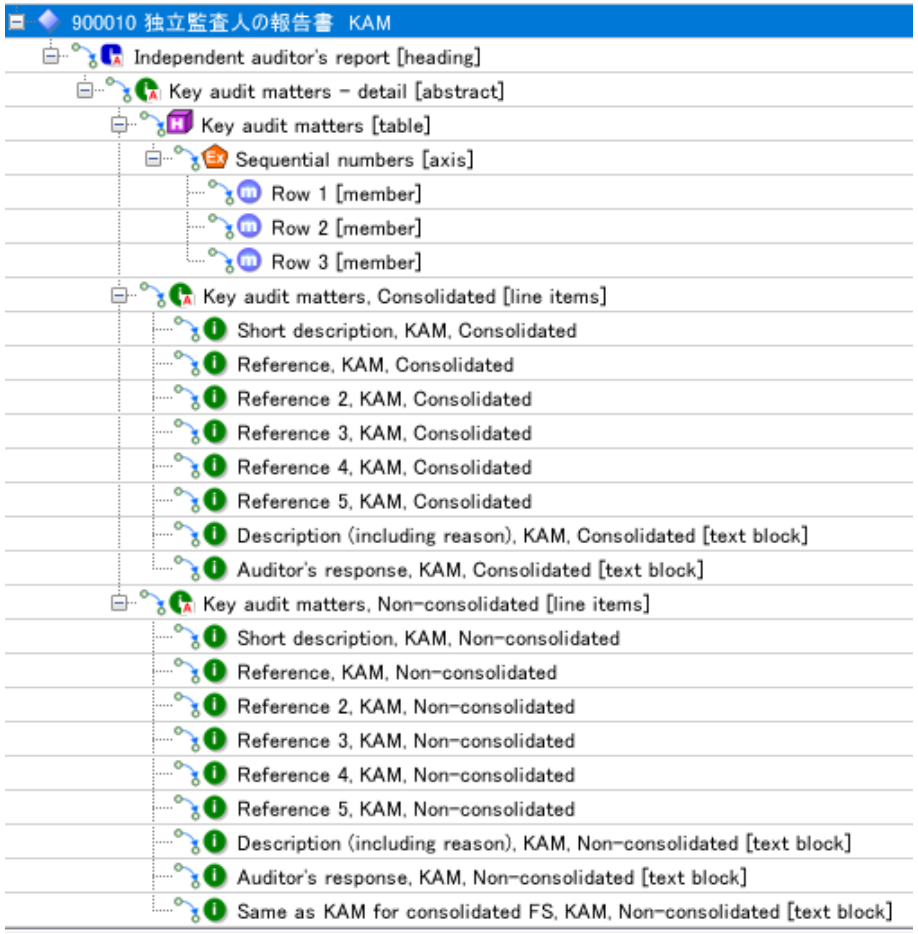
Latest challenges: Implementation XBRL for KAM (2)

The main tags in KAM are the Overall block tag, Overview, Short description, Description (including reason), Reference to Notes, Auditor's response.



- Although KAM's tagged data has only been accumulated for two years, but the data adds more value to the analysis.
- Therefore, it is expected that company analysis will be conducted with new method such as KAM's sentiment analysis by TEXT mining.
- Within our limited experience, narrative tagged data is just as powerful as numeric tagged data and should be accumulated continuously.

In the sessions of upcoming XART, several reports on KAM data analytics will be shared.

So, let's join us!

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Q&A

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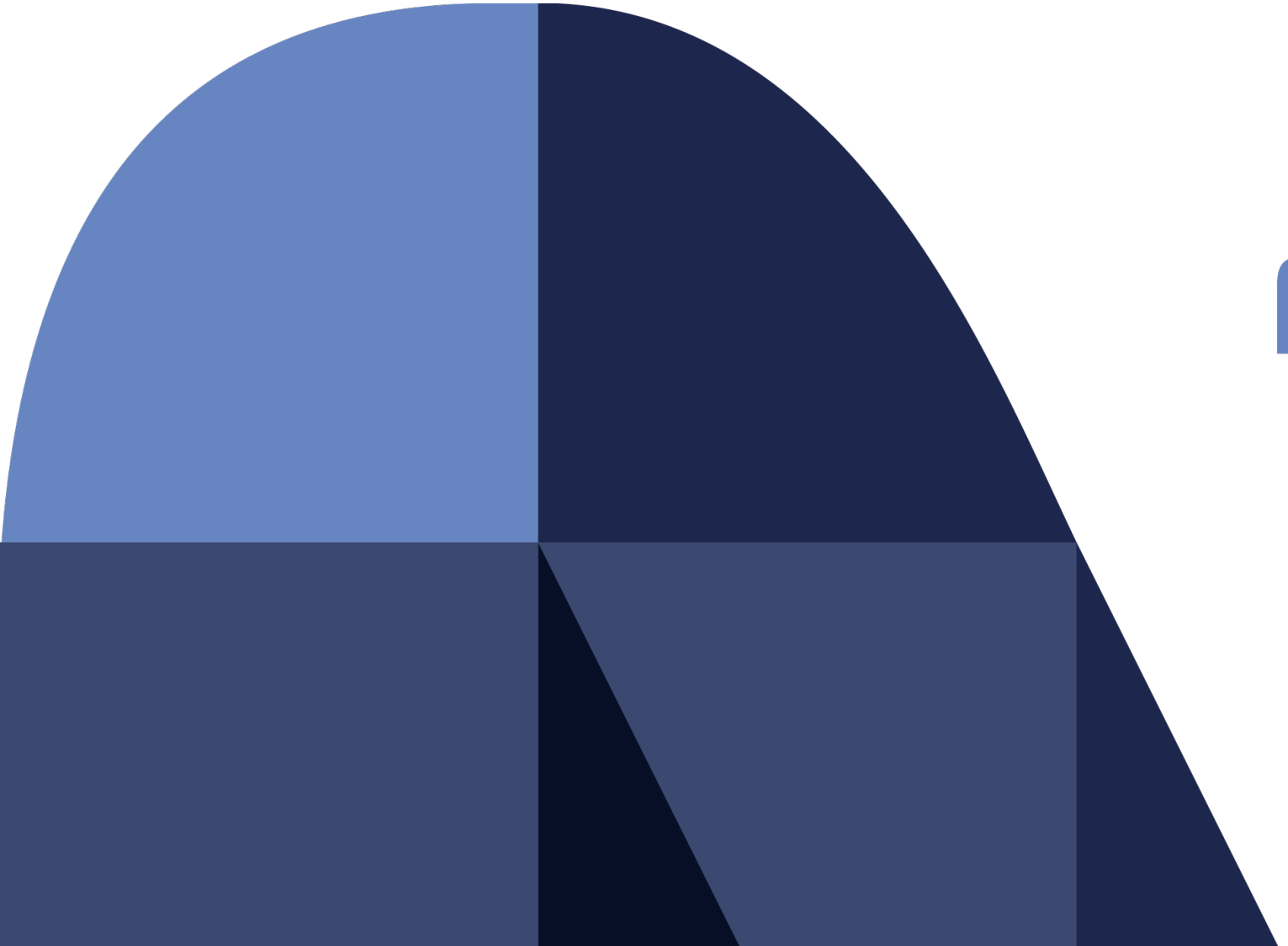
Thank you for
your attention !



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