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I have been conducting research regarding electronic financial reporting since 1996. In 1998 and 1999, I was the academic member of the FASB Electronic Delivery Working Group that published “Business Reporting Research Project: Electronic Distribution of Business Information” in 1999. I was also part of an academic team that published a similar report for the IASB that had a global perspective. It was clear then that electronic reporting was on the road to becoming ubiquitous. However, it was also clear that electronic reporting as it existed then was a mess. There was no commonality in terms of content, structure, file formats (e.g., HTML vs. Word vs. Excel vs. PDF files), and links. As such, creating an automated search engine to find specific financial data on the Internet would be nearly impossible.

Paralleling companies’ voluntary use of the Internet for disseminating financial information, in early 1999 (before the world knew of XBRL), the SEC was soliciting comments on modernizing EDGAR filings. In my comments then (see <http://www.sec.gov/rules/proposed/s7999/s7999-11.pdf>), based on research of Roger Debreceeny and myself in 1998 (which was attached to my comment email), I recommended that the SEC consider using XML technology. But, because XML technology addresses only one problem, namely, it provides a standardized, self-documenting file format, I also indicated that the SEC would have to go further than just letting companies use XML on an ad hoc basis since to do so would still leave the major aspects of the comparability and searchability issues unaddressed given that—without additional guidance—different companies would create their own XML tags (e.g., NetIncome vs. Net_Income vs. NI, etc.).

In the intervening years, XBRL has evolved into a world-wide technology that builds on XML to seriously address both the comparability and searchability issues that were identified in those 1999 FASB and IASB reports (as well as other research reports). XBRL has proven its value at the FDIC and at other organizations around the world.

Moving forward on XBRL for EDGAR filings is the next logical step for this technology. My undergraduate students cannot envision what the world was like before cell phones, the Internet, and even iPods. They look at you blankly when you use the term “carbon paper” or even when you use the term “record album.” Five years from now people will wonder what the world must have been like before XBRL.

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