





## XML frees the underlying data from two formidable forces: the proprietary nature of business applications and the presentation of that data.

In the United States, XBRL-US, a group of individuals from accounting associations, software companies, and accounting firms, are continually defining additional ways and means of marking up business information. Several new taxonomies are currently under development and should be available in April 2005. The website [www.xbrl.org](http://www.xbrl.org) contains the most current XBRL taxonomy files. The XBRL taxonomies are provided to the public at no charge.

### The Building Blocks of XBRL

The heart and soul of XBRL is the eXtensible Markup Language, or XML. XML is a meta-language, an underlying definition or description containing rules for constructing specialized markup languages such as XBRL. The rules of XML are used by the XBRL consortium to describe business data in ways that have meaning for all users. XML frees the underlying data from two formidable forces: the proprietary nature of business applications and the presentation of that data. Most standard business applications, such as accounting systems, create and store data in a format that's unique to the specific application. For example, financial transaction data created and stored in Oracle isn't recognized by Microsoft Business Systems. This means that the underlying data typically isn't sharable outside of the programs that created the data.

Managers who retrieve reports from these applications require either system-specific reporting tools or specialized report writer applications. If the underlying data is marked up in the XML derivative XBRL, however, the marked-up data becomes independent of the originating application and can be readily shared with any application that recognizes XBRL. This feature of XBRL makes the markup language very attractive for government regulators and financial analysts.

Contained in the XBRL specification, the foundation of all XBRL reporting, are all the rules required to express business reporting information in a format compliant with XML as defined by the World Wide Web consortium (W3C). As a financial professional, you don't need to know the details of the specification, only that the specification is created and tested by an international consortium of professional users and XML developers.

The SEC's voluntary XBRL filing program specifies that companies submit two major components: instance documents and taxonomies. The following information comes from the SEC's guidance to voluntary filers:

The XBRL portion of a submission is comprised of two major components:

1. One or more instance documents, which contain actual data and facts
2. One or more taxonomies comprised of:

- a. One or more schema documents, which contain the declaration of a set of elements that can be used in the instance document, and
- b. Linkbase files, which identify additional information about the elements in a schema document or establish relationships between the elements in the schema documents. There are five types of linkbases that can be associated with a schema: Label, Definition, Reference, Presentation, and Calculation.

An instance document is the individually prepared XBRL document that carries the corporation's actual data expressed with the assistance of an XBRL taxonomy, schema documents, and linkbase files. The taxonomy is the list of tags that the XBRL consortium has agreed to use to express various financial concepts. Additional information about the SEC's voluntary XBRL filing program as well as information about the linkbase files mentioned above can be found online at the IMA website, [www.imanet.org](http://www.imanet.org). ■

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