

DID YOU KNOW CIPC IS INTRODUCING XBRL?
ANNUAL FINANCIAL STATEMENTS



financialstatements@cipc.co.za



NEW PROCESS



Website: www.cipc.co.za
Customer Contact Centre: 086 100 2472
[Facebook.com/CIPC](https://www.facebook.com/CIPC) [Twitter.com/theCIPC](https://www.twitter.com/theCIPC)



Companies and Intellectual
Property Commission

a member of **the dti** group

Frequently Asked Questions – CIPC XBRL Programme

Table of Contents

Revisions.....	2
Introducing the most efficient and effective way of digital reporting - iXBRL.....	2
Legislative Mandate	2
What are the benefits of using XBRL?	2
Why are we going the XBRL route?	3
Who stands to benefit?.....	3
Where is XBRL applicable?.....	3
When are we rolling out XBRL?	4
What are the minimum tagging requirements for the roll-out?	4
What about the additional IFRS data elements?	4
What is the estimated value required to implement the software at clients?.....	5
How does XBRL work? How does XBRL do this? How can you be sure to get the correct information using XBRL?.....	5
For which set of Annual Financial Statements will XBRL reporting apply?.....	6
Which Entities will be using XBRL for submission of AFSs?	6
How will Close Corporations be affected by the roll-out of XBRL?	6
How do I know whether the entity I belong to needs to comply with the XBRL determination of the CIPC?	7
Is CIPC planning to differentiate tagging / submission requirements by size of entity / industry or other factors?	7
How do entities determine when their first AFSs will be due via XBRL?	8
Scope of reporting.....	8
Revisions and corrections	8
Access to taxonomy and materials.....	9
Audit rules	9
Education / training, guidance and support.....	9
Compliance risks.....	10

Revisions

Author	Version	Date	Status / Comments
Hennie Viljoen	V1.0	11/08/2017	Original
Hennie Viljoen	V2.0	20/09/017	Various changes to most paragraphs and new additional paragraphs.
Hennie Vilhoen	V2.1	2/10/2017	Removed references to FASs via XBRL

Introducing the most efficient and effective way of digital reporting - iXBRL

Legislative Mandate

- The legal and strategic mandate for submission of AFSs to the CIPC is prescribed by the Companies Act, No. 71 of 2008, as amended by Companies Act 3 of 2011
- Section 30 Annual Financial Statements and Regulation 30 Annual Financial Statement makes provision for submission of AFSs. Regulation 30 (5)(a) specifically mentions the Commission must establish a system to review AFSs with the objective of monitoring compliance with the Act
- According to Section 6 (13)(a)(iii) the system to be established by the Commission may use any means of electronic communication, to facilitate the automated filing of any information contemplated by the Act. This includes a determination to use XBRL

What are the benefits of using XBRL?

- Obtain data which can be entered automatically into systems without re-keying, re-formatting or other "translation" effort;
- Dramatically reduce costs by automating routine tasks;
- Quickly and automatically identify problems with filings;
- Analyse and compare data much more quickly, efficiently and reliably, and can benefit from the use of software in validation and analysis;
- Monitor data and activities and reach judgements with far greater speed and confidence;
- Focus effort on analysis, decision-making and dealing with counterparties rather than on data manipulation;
- Provide a much faster and focused response to counterparties;

- Will eventually provide one common standard of reporting to all regulators in South Africa, meaning the same set of annual financial statements will be re-usable. Elimination of duplications and differences in reporting to various regulators will be achieved.

Why are we going the XBRL route?

- By using XBRL, companies and other producers of financial data and business reports can automate the processes of data collection. For example, data from different company divisions with different accounting systems can be assembled quickly, cheaply, and efficiently if the sources of information have been upgraded to using XBRL.

Who stands to benefit?

- Entities who prepare financial statements: More efficient preparation of financial statements because they will be created one time and rendered as printed reports, as other regulatory filings;
- Analysts, Investors, and Regulators: Enhanced distribution and usability of existing financial statement information. Automated analysis, significantly less re-keying of financial information from one form into another form, receiving information in the format you prefer for your specific style of analysis;
- Financial publishers and data aggregators: More efficient data collection lowers operating costs associated with custom, idiosyncratic data feeds and reducing errors while concentrating on adding value to the data and increasing transaction capacity
- Independent Software Vendors: Virtually any software products that manages financial information could use XBRL for its data export and import formats, thereby increasing its potential for full-interoperability with other financial and analytical applications.

Where is XBRL applicable?

- XBRL can be applied to a very wide range of business and financial data. Among other things, it can handle:
 - Company internal and external financial and business reporting;
 - Business reporting and exchange of information within all types of regulators, including tax and financial authorities, central banks, and governments;
 - Filing of loan reports and applications;
 - Credit risk assessments;
 - Authoritative accounting literature, providing a standard way of describing accounting documents provided by authoritative bodies.

When are we rolling out XBRL?

- CIPC will officially roll out XBRL reporting as of **1 July 2018**

What are the minimum tagging requirements for the roll-out?

- The CIPC taxonomy's scope main focus is on covering the reporting requirements of domestic entities as prescribed by Companies Act, No. 71 of 2008. Apart from the SA-specific requirements, the IFRS taxonomy (as on 31 March 2016) has been incorporated;

Please Note: Depending on the regulations of the Companies Act applicable to a specific entity, all entities MUST submit either their Annual Financial Statements together with their Annual Returns.

- Minimum tagging **for AFSs** will comprise of individual tagging of all applicable facts of the Primary Financial Statements (PFSs) and a set of disclosures/explanatory notes as listed below. All Accounting Policies, Directors Reports, Directors Responsibility Statements, Independent Auditors/Reviewers Reports, Company Secretary Reports, Corporate Governance Reports, and Notes other than listed below, are allowed to be block tagged only, meaning the full text thereof can be tagged as single text blocks to the first relevant text block of the specific report.
 - Statement of financial position, current/non-current;
 - Statement of financial position, order of liquidity;
 - Statement of comprehensive income, profit or loss, by function of expense;
 - Statement of comprehensive income, profit or loss, by nature of expense;
 - Statement of comprehensive income, OCI components presented before tax;
 - Statement of comprehensive income, OCI components presented net of tax;
 - Statement of cash flows, direct method;
 - Statement of cash flows, indirect method;
 - Statement of changes in equity;
 - Statement of changes in net assets available for benefits.
 - Notes – Sub-classifications of assets, liabilities and equities
 - Notes - Analysis of income and expense

- Although the minimum requirements for every entity are determined as explained above, there are 61 Existence Assertion data elements that will be mandatory to ALL entities. The mandatory elements are all included in the validation rules of the taxonomy, and omitting any of these elements, will result in the rejection of a submission. These elements are indicated by the following link on the CIPC website:

http://www.cipc.co.za/index.php/download_file/view/50386/1329/

- Other data elements part of the minimum tagging requirements should be tagged where applicable to a specific entity.

What about the additional IFRS data elements?

- The CIPC taxonomy includes both CIPC-specific requirements as well as full incorporation of the full IFRS specifications as on 31 March 2016. For initial implementation of XBRL on 1 July 2018, only the data elements as defined in the minimum requirements are to be tagged. The other data elements in the taxonomy can be ignored for the initial

implementation, but will be implemented over time as part of a phased approach. The minimum requirements will be extended in subsequent years. The CIPC will communicate extended requirements for subsequent years as and when applicable.

What is the estimated value required to implement the software at clients?

- Every client will incur different costs to integrate their backend systems with the new XBRL interface. For the pilot project, both the “old way” and the “new way” will be maintained in parallel until XBRL submissions have stabilised;
- Costs will be determined by whether clients already have central repositories of structured financial data (databases), or whether financial data are compiled manually for every submission;
- Where central databases already exist, exporting of data according to the XBRL taxonomy should be fairly simple and not very expensive;
- Costs for qualifying entities will also be determined by whether qualifying entities choose to integrate XBRL fully into their back-end processes, or whether a solution that will cater for manual tagging will be selected.

How does XBRL work? How does XBRL do this? How can you be sure to get the correct information using XBRL?

There are a number of requirements for the successful deployment of XBRL. They are:

- Creation of a specification that is the same for all entities that is consistent from one financial statement to another through a taxonomy (dictionary of financial facts);
- An application that will allow the creation of financial statements “tagged” with XBRL that adhere to the specifications (exporting financial data into iXBRL format) at every client company;
- A web application (portal) at the CIPC for uploading of annual financial statements in iXBRL format

Please Note:

- XBRL is explained by the problems solved. If there is not a consistent specification that works for all entities, preparation of automated rendering and extraction tools will need to be prepared for each different specification used to create financial statements. This is not very efficient. This is why the accounting profession's vision is to create one specification that everyone uses. There will be specifications that will meet the needs for each particular industry, but all specifications will use a similar framework.
- There is one way to achieve this consistency: XBRL (not PDF, HTML, raw text, or any other method). The goal is to create a standards-based method to prepare and publish in a variety of formats, exchange and analyse financial statements across all software formats.
- XBRL for financial statements will provide agreement on the terms used by establishing uniform categories for financial data. Yet, the system remains flexible to accommodate any

company's internal environments, processes, systems, and even styles.

For which set of Annual Financial Statements will XBRL reporting apply?

- The first submission of AFSs from 1 July 2018 will apply to the latest available AFSs prepared, approved and audited irrespective of the year.

Which Entities will be using XBRL for submission of AFSs?

In terms of Section 33 of the Companies Act 71 of 2008, and regulations 28, 29 and 30 of the Companies Regulations of 2011, the following entities as they submit Annual Returns they need to also submit their AFS's through XBRL as from 1 July 2018

- All public companies;
- Qualifying Private Companies (currently submitting PDFs);
- State owned companies;
- Non-profit entities.

Please note:

- The CIPC XBRL taxonomy is applicable for consolidated reports (which include figures and other information for both a group or parent entity, and solo reports containing data of a single entity. This distinction is modelled using XBRL dimension *Consolidated and separate financial statements [axis]* that is defined in the base IFRS component of the framework. There are no distinct files, extended link roles, indicating which information is reportable only on solo and which on consolidated basis. It is the responsibility of reporting entities to provide valid information in this regard in instance documents. A single XBRL instance document can contain solo as well as consolidated data.

An entity that controls one or more other entities are required to submit consolidated AFSs. Every domestic subsidiary needs to submit their individual AFSs. Parent entities must submit their own entity details plus consolidated details for ALL subsidiaries in the same set of AFSs. When a parent and subsidiaries have different dates of incorporation, the parent entity submit consolidated data for its subsidiaries as up to its own date of incorporation.

- Co-operatives will not initially be required to submit AFSs via XBRL. However, this may possible be required in future. A customer notice will be issued in the event that the CIPC decides to include Co-operatives.
- Trusts are currently not regulated by the CIPC and therefore don't need to submit AFSs. Private or personal liability entities that are not required to have their AFSs audited, may elect to voluntarily file their audited or reviewed statements with their annual returns, including Non-Profit Companies and Close Corporations.

How will Close Corporations be affected by the roll-out of XBRL?

- According amendment of section 58 of the Closed Corporation Act 69 of 1984 section 58, as substituted by section 12 of Act 38 of 1986 and amended by section 4 of Act 64 of 1988, the members of a corporation shall within six months after the end of every financial year of the corporation, cause annual financial statements in respect of that financial year to be made out. Insertion of subsection (2A) Section 30 (2) (b), and (3) to (6) of the Companies Act, read

with the changes required by the context, apply to a corporation that is required by the Regulations made in terms of section 30 (7) of the Companies Act, to have its annual financial statements audited.,

- Submission of AFSs for CC's will therefore also be required via iXBRL as from 1 July 2018.

How do I know whether the entity I belong to needs to comply with the XBRL determination of the CIPC?

Besides the list of entities listed above, if any of the following criteria apply to your entity, you need to comply:

- If your entity has a Memorandum of Incorporation that prescribes filing of audited financial statements, you need to submit AFSs;
- If your entity is a private or personal liability company if, in the ordinary course of its primary activities, it holds assets in a fiduciary capacity for persons who are not related to the company, and the aggregate value of such assets held at any time during the financial year exceeds R5 million, you need to submit AFSs;
- If your entity is a private or personal liability company that compiles its AFSs internally (for example, by its financial director or one of the owners) and that has a [Public Interest Score](#) (PIS) of 100 or more, you need to submit AFSs;
- If your entity is a private or personal liability company that has its AFSs compiled by an independent party (such as an external accountant) and that has a [Public Interest Score](#) (PIS) of 350 or more, you need to submit AFSs;

Unless the your entity has opted to have its annual financial statements audited or voluntarily included audit as part of its Memorandum of Incorporation (MOI), a private or personal liability company that is not managed by its owners may be subject to [independent review](#) if:

- It compiles its AFSs internally and its [Public Interest Score](#) is less than 100;
- It has its AFSs compiled independently and its [Public Interest Score](#) is between 100 and 349;

Is CIPC planning to differentiate tagging / submission requirements by size of entity / industry or other factors?

- Yes the CIPC will differentiate tagging requirements by size of entity and type of entity as explained. Minimum tagging applies for all entities, but the exact data elements to be tagged will be determined by whether and entity uses the IFRS-FULL or IFRS-SME entry points into the taxonomy, as indicated by the table below that defines when an entity is required to report according to IFRS-FULL and when it is allowed to report according to IFRS-SME:

Category of Company	IFRS-Full	IFRS- SMEs
Public companies – listed on an exchange	★	
Public companies – not listed on an exchange	★	★
State-owned companies	★	
Non-profit companies incorporated: <ul style="list-style-type: none"> • Directly or indirectly by the state, an organ of state, a state-owned company, an international entity, a foreign state entity or a foreign company; or	★	

<ul style="list-style-type: none"> Primarily to perform a statutory or regulatory function in terms of any legislation, or to carry out a public function at the direct or indirect initiation or direction of an organ of the state, a state-owned company, an international entity, or a foreign state entity, or for a purpose ancillary to any such function. (In the case of any conflict with any requirement in terms of the PFMA, the PFMA prevails		
Other companies (profit and non-profit) whose public interest score is at least 350		
Other companies (profit and non-profit) whose public interest score is at least 100 but less than 350 and whose financial statements are either internally or independently compiled		
Other companies (profit and non-profit) whose public interest score is less than 100 and whose financial statements are independently compiled		

How do entities determine when their first AFSs will be due via XBRL?

- As per current compliance process in the Act, entities submit their Annual Returns 30 business days after the annual anniversary of their Date of Incorporation, when submission of AFSs applies to them, except when an entity is a Closed Corporation. CC's have 60 business days to submit their AFSs from the first day of the month of the anniversary of their date of incorporation.
- Entities are required to submit their latest final approved audited or independently reviewed Annual Financial Statements together with their Annual Returns, on the same day as their Annual Returns. The first date of submissions via XBRL, will be the first date of submission that falls on or after 1 July 2018, irrespective of the year of their latest final approved audited or independently reviewed Annual Financial Statements.

Scope of reporting

Which reports are subject to XBRL submission?

- Annual Financial Statements together with Annual Returns

How detailed data should be tagged?

- The CIPC will provide guideline documents explaining the technical tagging rules to be followed

Will one report be required per one submission or will multiple reports be possible to submit in one package?

- Multiple reports must be submitted together (e.g. ARs and AFSs) However, only one data file must be submitted containing all data required for reporting. This must be done as iXBRL version 1.1 tagged data embedded in a single XHTML file. Please refer to the "Filers Guidelines – Technical Aspects" document for more details.

Will extensions to the CIPC XBRL taxonomy be required or allowed?

- Not required for the first phase of the Programme, however an announcement with regards to this matter will be made when this becomes applicable

Revisions and corrections

How will CIPC organise / accept revisions and corrections to the taxonomy?

- Whenever IASB makes changes to the IFRS standard, and XBRL International incorporates the changes in the IFRS taxonomy, the FRSC will review the changes in the IFRS taxonomy to determine which of the changes must be implemented to the CIPCs taxonomy. CIPC will publish and implement the changes according to the new version of the taxonomy.
- Whenever the rules incorporated in the IFRS taxonomy or other changes prompted by changes in the Companies Act or regulatory approach of the CIPC, as accepted by the FRSC, both the taxonomy and software solution of the CIPC will be updated accordingly. Reasonable advance notice of the implementation of taxonomy changes will be communicated to qualifying entities in order to allow for updates to tagging software used by them.

Will CIPC taxonomy be updated to the latest IFRS every year?

- Yes, it will be updated as and when changes applicable are adopted.

How will new IFRS standards and their effective dates impact the CIPC taxonomy?

- Once the changes have been communicated, CIPC will ensure that amendments are incorporated into the revised / updated taxonomy

Access to taxonomy and materials

Where can I find the CIPC XBRL taxonomy?

- The CIPC XBRL taxonomy, data model, mandatory elements and architecture / framework documents, etc. have been published on the CIPC website for the public. Please refer to the link below:

<http://www.cipc.co.za/index.php?CID=1329>

Audit rules

Will XBRL files be required to be audited?

- The CIPC portal for uploading of AFSs in XBRL format will have a policy checkbox that will be mandatory to click by users before uploading will be allowed. The policy will declare that by uploading AFS data, the particular entity provides assurance that the AFSs have been approved and signed-off by directors and/or and auditors, even though PDFs won't accompany the uploaded data.
- Qualifying entities will therefore still be required to maintain audit or independent review requirements as currently prescribed by the Companies Act, but only the XBRL format of AFSs will be uploaded via the CIPCs portal. Entities are however required by the Act to keep audit and independent review reports for a period of seven years, and the CIPC can at any point request access to these reports.

Education / training, guidance and support

Is CIPC going to organise conferences / seminars / webinars to prepare industry?

- Yes. The CIPC will continuously embark on roadshows, webinars, and other means to create awareness of the XBRL Programme, and to provide qualifying entities and other stakeholders with guidance.

Is CIPC going to certify software compliant with XBRL taxonomy?

- No, the CIPC will not officially endorse any software service providers or their software solutions, but a software service provider's panel has been established. The purpose of the panel is to ensure that quality solutions are provided to qualifying entities. The CIPC intends to communicate details of software service providers considered to be capable of providing XBRL solutions by publishing a list of recommended software service providers that adhere to the minimum technical requirements on the CIPC website.

Is CIPC going to supply reporting toolkits / software to filers?

- No, the project only involves providing a mechanism for uploading financial data in XBRL format from filers. No reporting tools will be developed by CIPC for filers. However, as mentioned above, the CIPC will provide details on software service providers who will be able to provide tagging software to qualifying entities.
- In addition to information of software service providers, the CIPC will communicate the details of an online Validation Engine/Service that the solutions of software service providers can utilize freely for validation of rules built into the taxonomy, but this service will not be provided directly by the CIPC.

Who can I ask XBRL-related questions at the CIPC?

- Hennie Viljoen (XBRL Programme Manager) at HViljoen@cipc.co.za. Queries can also be sent to XBRL@cipc.co.za. Information about the programme is also available on the CIPC website (www.cipc.co.za).

Compliance risks

What will be the non-compliance fees and consequences?

- According to the Companies Act 71 of 2008 as amended, all entities need to submit AFS or returns through a system defined by CIPC. Any of the entities that contravenes the law will be subjected to the following actions taken against them:
 - For failing to submit ARs deregistration of the entity or penalties may apply
 - For failing to submit AFSs an investigation will be done. After the investigation a compliance notice will be issued mentioning a deadline to comply. Failure to comply by the specified date, a fine may be issued or formal prosecution may be instigated.

The XBRL taxonomy requirements will be effective in 2018. When would it be applicable for entities with financial years beginning on or after 1 January 2018 or those entities with financial years ending on or after 1 January 2018?

- The planned XBRL implementation date is 01 July 2018. The year of 2017 will be dedicated to implementation of a change management programme to ensure that qualifying entities are prepared in advance for the implementation. The entities to be used during the pilot phase will also be notified in advance in consultation, especially the relevant CFOs or Financial Directors. Filer's guidelines will be published for use by affected entities as guidance or reference.

Will only listed entities be required to lodge the separate entity AFSs and/or consolidated AFSs in this format?

- All entities incorporated in terms of the Companies Act 2008 as amended are a responsibility of the Commission including their related filing obligations. In the business landscape of South Africa, an incorporated entity is subject to various pieces of legislation out of which every regulator derives its mandate. CIPC Taxonomy is developed in accordance with IFRS as required in terms of the Act, and within the same taxonomy, an IFRS-based dimension, *ConsolidatedAndSeparateFinancialStatementsAxis* is included and applicable to all primary financial statements and the explanatory notes as prescribed by the IFRS Standard

What will be the interaction between AFSs to be lodged and the annual returns required to be lodged by the entities?

- The XBRL functionality is aimed at ensuring that entities are able to file their annual financial statements electronically and not submit a PDF document to an e-mail address as it is currently happening. The entry points as defined in the current taxonomy requires entities to file both annual returns and AFSs at the same time.

Is it true that the IASB's IFRS Taxonomy is used as the basis for the IFRS disclosures included in the AFSs and that the relevant requirements of the Companies Act have been incorporated into the taxonomy?

- Yes, in the current CIPC XBRL Taxonomy only two IFRS explanatory notes were included: Sub classification of assets, liabilities and equities and Analysis of income and expense. In the future releases the CIPC may intend to expand the scope of the notes required;
- As for the Companies Act requirements: Directors' report, Directors' responsibility statement, Company secretary's statement, Auditors' report, Independent reviewers' report, Directors' functions and remunerations were included in the taxonomy scope.

Were the requirements of the JSE listing requirements and the SAICA Guides and Financial Reporting Pronouncements issued by the FRSC been incorporated into the taxonomy? Specific standards issued in SA which would not be covered by the IASB taxonomy are related, for example, to BBBEE transactions

- The above mentioned requirements are not part of the CIPC XBRL taxonomy scope. Depending on the future taxonomy updates and possibility of cooperation with the other institutions, these requirements can be included as CIPC conducts updates. The current taxonomy architecture follows the standard prescribed by the XBRL South Africa which allows for incorporation of other reporting standards, requirements and frameworks, and was developed with the assumption of joint cooperation of all regulators in South Africa. During the CIPC XBRL round-table event, held in Bruma, South Africa; on 12th of August 2015, South African regulators initially agreed on the urgent need for establishing of a SA Regulatory Data Harmonisation Group that will serve promotion of the concept of collaboration on the development of harmonised business metadata architectures, and use of inter-operable data standards. The above mentioned Working Group has already started working on the common dictionaries that could be ultimately transformed into XBRL taxonomies. For reference, the XBRL SA Standard Architecture is available publicly under the following link: <http://za.xbrl.org/wp-content/uploads/sites/6/2015/06/XBRL-SA-Standard-Architecture-Document-PUBLICDRAFT.pdf>

The FRSC is currently working on a project to potentially develop a Reduced Disclosure Framework. This project is currently in the research phase and a discussion paper is expected to be circulated for public comment in 2017. The objective of the project is envisaged to reduce the disclosure burden on certain entities within the Framework's scope, i.e. entities with limited public accountability. Will this project be considered when developing the Taxonomy?

- FRSC can be included in the Data Harmonization Working Group as this framework could be incorporated into common SA data model and/or XBRL SA taxonomy set. It could also be beneficial for FRSC to have some data modelling and XBRL guidance to better understand the possibilities of synchronization with other reporting frameworks on the taxonomy level.

The amendments to the JSE Listing requirements as issued in September 2016 which, amongst other matters, will require issuers to distribute annual financial statements within four months after the end of each financial year. This amendment is effective for issuers with years-ending on or after 30 September 2017. Has the CIPC considered this amendment in its timeline for requesting XBRL reporting from companies?

- No, The Companies Act guides CIPC in the implementation of its own mandate and not the listing requirements of the JSE

What would be the role of the FRSC, if any, in terms of the rollout of XBRL by the CIPC?

- There is a need for close working relations between CIPC and FRSC in order to ensure a smooth transition of financial reporting into the XBRL format and in line with the IFRS standards. FRSC can be the facilitator of the knowledge transfer on IFRS/XBRL related matters (from a business perspective).

There is a concern shared with the FRSC regarding divergent interpretations of the Companies Act s30 requiring an entity to prepare AFSs. What is to be done with the practice whereby an entity that prepares consolidated AFSs takes the view that it is not required to prepare separate AFSs?

- In the analysis of the AFS, CIPC is guided by the Companies Act with IFRS providing guidance. Some of the standards which assist CIPC with the interpretation of the sections in the Act relating to Annual Financial Statements analysis and reviews, includes:-
 - IAS 27: <https://www.iasplus.com/en/standards/ias/ias27>
 - IFRS10: <https://www.iasplus.com/en/standards/ifrs/ifrs10>
 - IFRS 12: <https://www.iasplus.com/en/standards/ifrs/ifrs12>

Therefore, separate AFSs need to be prepared

As for now, the CIPC XBRL Taxonomy Framework Architecture provides architectural diagrams, tables and code examples. Could XBRL SA elaborate on the *more visual representation* part of the comment? Shall we include a graphic representation of the taxonomy hierarchies?

- Current information scope covered by the CIPC XBRL Taxonomy is limited to the Companies Act, No. 71 of 2008 requirements for domestic entities and to Primary Financial Statements (plus additional two disclosure notes) hierarchies as prescribed by the IFRS Bound Volume and XBRL Taxonomy as released 2016-03-31. This information is explicitly stated within the section 2. *Data Model* of the *CIPC XBRL Taxonomy Framework Architecture* document (please refer to www.cipc.co.za). CIPC does not see, at this point, any value added (rather than unnecessary confusion) to the taxonomy users, therefore there are no plans of including such section to the architecture document.

Could XBRL SA provide any examples of what could be included in *Out of scope* and how in their opinion this information should be described in order not to confuse the readers?

- The XBRL community raised a question with regards to the data modelling approach taken in the structure defined under [800.600] Disclosures - Auditor's report extended link role. The query involved an exemplary situation in which multiple audit firms would be signing the audit report and whether that would be possible from the taxonomy perspective;
- CIPC did take into consideration scenarios mentioned in the XBRL SA questions during the modelling process of the respective structure, however only main auditor information is required to be stored within the CIPC internal systems. The Auditor's report is structured in a way that indicates a single auditor to be reported by the entities. Although the elements describing the particulars of the auditor are alphanumeric (`stringItemType`) without any restrictions applied, there is no technical possibility for those elements to be reported in the XBRL report more than once (under the same contextual information). If the requirements will change in the future, the CIPC will take appropriate measures in order to accommodate this into the taxonomy. One of the possible ways of approaching this would be applying the type dimension and create an open table without any restriction on number of rows/columns;
- XBRL SA Working Group performed the testing of the CIPC XBRL Taxonomy using the open source taxonomy viewer and validator, Arelle. Main point of entry to the Discoverable Taxonomy Set (DTS) used for validation was `full_cipc_entry_point_2016-07-31.xsd`. However selective entry point schemas were tested as well. The validation was performed without any inconsistencies or errors raised, with compliance checks against all XBRL specifications applied in the CIPC XBRL Taxonomy. Concepts were scanned visually and checked for their consistency and styles applied.

Does the CIPC XBRL taxonomy cater for inclusion of the IFRS standards for SME's?

- Yes. Although, the CA Module is not using directly the concepts prescribed by the IFRS for SMEs standards, a full original version of the IFRS XBRL Taxonomy is included within the CIPC XBRL Taxonomy Set (in the Definition layer). It includes the Full IFRS standards, IFRS for SMEs and Management Commentary.

When a review is done, is there a "report" similar to what currently exists for auditors?

- Yes. The report will be produced once the instance documents have been validated and stored. This has to be similar to the auditor's report.

After the analysis of the taxonomy contents, it was discovered that there are a lot of items contained compared to what is reported as part of the current annual return process. Will the additional information with regards to coverage of taxonomy elements within the submitted report, personal information being subject of the POPI legislation or public interest score components, be provided?

- Yes. There is a *minimum requirements* approach taken. That means that the reporting entities would be required to submit all information requested (in their possession). With regards to the disclosure of personal information, all data that CIPC keeps is public information as per the mandate, unless the law (or practice) requires otherwise. The CIPC will make all necessary assurances for the data protection policy to be followed under The Protection of Personal Information Act (POPI);
- As for the *Maximum number of individuals with a beneficial interest, in securities of the company, or members in case of non-profit company* CIPC is following what is prescribed by the Companies Regulation Act 2011 Section 26(2). The Beneficial ownership information will be required annually once it becomes a law under the Companies Act and or there will be

specific guidance to industry and regulators.

In their evaluation, FirstRand representatives focused mostly on the XBRL implementation process which is not the actual subject of the public review process requested by the CIPC. The FirstRand raised the topic of the database mappings and resubmission of information by the entities (already done electronically but using other format) that will possibly have an impact on the costs to be incurred by the reporting entities. FirstRand pointed that there is no clear indication by the CIPC what would be the expected filing format (either iXBRL or XBRL). Will the CIPC provide the users with different technical options for the data submission rather than going with only one single format approach?

- No. The CIPC will require submissions only in iXBRL format version 1.1. The iXBRL data must be imbedded within a single XHTML file.

How and when will external auditors be signing-off the financial statements before submission to the CIPC?

- The CIPC will still require sign-off of AFSs as previously, but it will not be required to upload signed-off PDF files any more. Only the iXBRL AFS data will be required to be submitted to the CIPC. However, signed off AFS are required by the Act to be kept by qualifying entities for seven (7) years, and the CIPC can at any point request access to those audited AFSs.

According to the CQS, data modelling approach applied in the CIPC XBRL Taxonomy seems to be logical (specifically the distinction on the entry point schema level). Does this mean the CIPC financial submissions could be followed by other regulators in South Africa?

- Yes. This only confirms the right decision of the CIPC to be following the XBRL South African Standard and Governance Architecture, as published by the XBRL SA Jurisdiction in May 2015;
- The CIPC XBRL Taxonomy Framework Architecture document informs that a number of structures defined in the CIPC XBRL Taxonomy is taken (unchanged in terms of the business scope) from the IFRS XBRL Taxonomy 2016, as released by the International Accounting Standards Board (IASB) on 31st of March 2016. This decision was made in accordance to the Companies Act, No. 71 of 2008, section 29(5)(b) stating that in the case of financial reporting standards, financial statements to be provided along with the annual returns must be consistent with the International Financial Reporting Standards of the IASB. Therefore the content of the following hierarchies defined by the CIPC XBRL Taxonomy is as prescribed by the IFRS Foundation and IASB (which are the standard setters):
 - [210.000] Statement of financial position, current/non-current
 - [220.000] Statement of financial position, order of liquidity
 - [310.000] Statement of comprehensive income, profit or loss, by function of expense
 - [320.000] Statement of comprehensive income, profit or loss, by nature of expense
 - [410.000] Statement of comprehensive income, OCI components presented net of tax
 - [420.000] Statement of comprehensive income, OCI components presented before tax
 - [510.000] Statement of cash flows, direct method
 - [520.000] Statement of cash flows, indirect method
 - [600.000] Statement of changes in equity
 - [700.000] Statement of changes in net assets available for benefits
 - [800.100] Notes - Sub classifications of assets, liabilities and equities
 - [800.200] Notes - Analysis of income and expense
- This approach will allow for the comparison of the reported data with other international regulators of importance to the CIPC. After the initial phase of the implementation of the CIPC

XBRL Taxonomy in the South African market, feedback related to the information scope, gathered from the reporting entities, will be taken into consideration. CIPC does not exclude future amendments to the IFRS structures and will additionally seek advice with the FRSC and other relevant bodies.

CQS stated their concern that not all of the statements defined in the taxonomy are clearly structured. Will this create confusion among the taxonomy users? As an example, the reviewers pointed to the extended link role 510 statement of cash flows, direct method that lists element Cash and cash equivalents (identified as ifrs-full_CashAndCashEquivalents) two times within the tree structure while other elements have only single instance in the hierarchy

- With regards to the point raised related the Cash and cash equivalents element, this technique was applied intentionally by the IFRS team, to allow the reporting entities to provide the comparative fact from the previous year end for the calculation purposes. Although the same element is used twice within the same structure, the facts provided in the instance document will be different, as reported with different contextual information (context element with different period stated). In order not to create the confusion for the filers, a preferredLabel attribute on the presentationArc was defined to distinguish the purpose of the particular position from the statement. This attribute should be read by the XBRL software and display the corresponding labels applied (e.g. with arcrole periodStartLabel and periodEndLabel) as shown on the screen below:

Net increase (decrease) in cash and cash equivalents	6 pre_cipc_2016-07-31_rol...	netLabel (*)
Cash and cash equivalents at beginning of period	7 pre_cipc_2016-07-31_rol...	periodStartLabel
Cash and cash equivalents at end of period	8 pre_cipc_2016-07-31_rol...	periodEndLabel

Will software vendors of major enterprise software packages/solutions be engaged to update their software for XBRL compliance?

- Yes. The CIPC does agree that the communication with the software vendors' community as well as public knowledge transfer and awareness sharing, will be a crucial part of the Programme to assure smooth transition to the XBRL standard. Efforts will be made to persuade major solutions providers (e.g. providers of ERP solutions) to adapt their software for XBRL compliance (e.g. exporting annual financial statements to XBRL instance files). The established Software Service Providers Panel will be the preferred forum of the CIPC to communicate with software service providers. However, it is important to note that qualifying entities also have the responsibility to engage with service providers of software they use currently, or other service providers that may be able to provide them with XBRL-capable software solutions.

How will the CIPC system provide assurance with regards to the correctness of AFS data submitted?

- It is envisaged that the CIPC system will run automated validations on all data submitted against rules of the taxonomy. The system will send an e-mail reply to the user after submission, flagging the submission either as "accepted" if all validation tests were passed, or "rejected" when some of the validations failed. In the case of validation failures, the system will send a report to the user listing the reasons for rejection based on the failed validations, in which case the user will need to correct the data and re-submit.