

## XBRL for e-filing in The Saudi Stock Exchange (TADAWUL)



The Saudi Stock Exchange (TADAWUL) received approval for its formation on March 19, 2007 from Council of Ministers.

The objective of TADAWUL are to:

- Ensure market integrity, quality, and fairness
- Support investor education and awareness efforts
- Develop service excellence for customers (brokers, issuers, investors, vendors etc.)
- Develop the exchange's capabilities and competencies

The vision of TADAWUL is to be an integrated financial exchange that fosters the development of a diverse Saudi capital market and competes internationally. The mission of TADAWUL is to offer sound, efficient and attractive capital market products and services that deliver superior value to market participants and builds stakeholder awareness.

TADAWUL embarked on an ambitious XBRL based project with the following objectives:

1. To improve transparency of the Saudi capital market for investors and for analytical purposes.
2. To allow TADAWUL to generate revenue from this valuable information set.
3. To upgrade the current SACP application to the supported version and allow data transmission under XBRL.
4. To enhance SACP functionalities.

The Taxonomy and implemented reporting platform utilizes IFRS 2011 and Saudi local accounting laws. XBRL is used as the enabling reporting standard for companies listed on TADAWUL.

The filing platform has been built using the IRIS iFILE desktop tool which has been adopted successfully by various jurisdictions around the world. In order to plan for a successful implementation, IRIS studied the reports filed by companies (quarterly and annual) to TADAWUL. Studies were conducted to understand the local reporting requirements and how they differed from IFRS reporting standards. The current reporting platform, SACP of TADAWUL was analyzed

and IRIS came up with the proposed platform. IRIS utilized the expertise of E&Y (Saudi Arabia) in an advisory role during the design phase of the taxonomy. The new Saudi taxonomy catering to different industries was categorized into 3 segments: Banks, Insurance and Saudi Joint Stock Taxonomy. The Taxonomies were developed using IFRS 2011 and Saudi Accounting Practices as the base and adding elements as per regulatory requirements. The taxonomy was reviewed by various regulatory bodies of Saudi e.g. SAMA, SOCPA and CMA to name a few.

### Investment Community

This initiative by TADAWUL provided the investment community (like financial institutions and investors) with the opportunity to easily search and download verified information about the companies, for further analysis. Since the data is in XBRL format, it can be consumed easily by their internal systems. The resulting transparency and accuracy in reporting the financial information of companies helped to gain the attention and trust of the investment community. The major objective of this project was to make financial data available to investors - data that is clean, transparent and comparable due to XBRL.

### Stock Exchange

Tadawul was given the ability to customize the validation rules applied on the financial information submitted by the listed companies. This reduced the burden of collection, verification and analysis of data by the exchange and allowed them to reallocate resources to other activities. This also allows TADAWUL to generate revenue by making use of the collected data. The platform has the functionality to also support IPO and FPO processes. The platform has advanced features such as automatic ratio calculation, report generation, linking price chart with corporate announcements, linking all the relevant announcements of a company. It automatically generates summary items if detailed financial report is submitted by a company. TADAWUL has all the flexibility to add/edit/delete any summary item from summary tables.

### MF, Bond and Asset Manager

This solution will help MF companies and Asset Managers to submit various details related to the fund. Listed as well as unlisted companies can issue bonds and submit related details. Bond details can be linked with the company and all the bonds issued by a company can be tracked. Corporate actions are brought in by regulator as part of the filing requirements in XBRL based filing platform.

### Risk Management

The platform has been developed in compliance with TADAWUL's risk policies and has gone through penetration testing by McAfee. The platform has separate modules dedicated for risk management. It has access control, forms management, user management, company management and password policy definition page and dual approval process which ensures a robust and secure application.

### TADAWUL Financial Reporting Taxonomy

Taxonomy is the core of any XBRL based project. TADAWUL Financial report taxonomy architecture is based on the IFRS 2011 Taxonomy and Saudi Gap architecture. Each sector has a separate entry-point. There are close to four thousand elements in the taxonomy.

### Desktop Preparation Tool (iFILE)

iFILE is an Excel® add-on tool. Once installed, data entry templates can be generated based on the selected entry point. It has been designed keeping in perspective the familiarity of Excel® among the majority of filers, thereby enabling a smooth transition and greater acceptance rate.

The iFILE tool is further divided into two components

- Client component
- Admin component

### Client Component

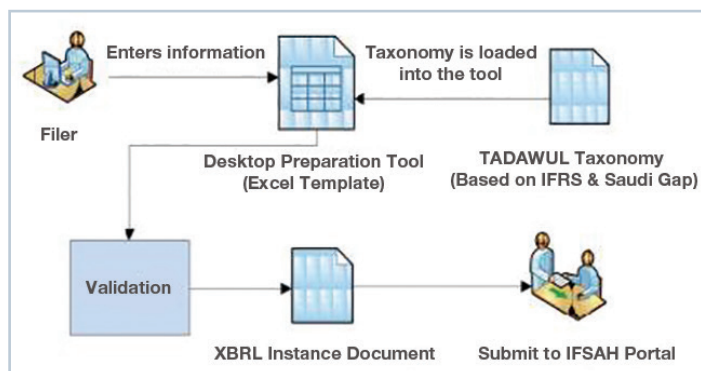
The client component of iFILE allows the users to prepare and generate an XBRL instance document that can then be uploaded to the iFILE Portal.

Registered users can download the iFILE installer from the IFSAH portal. Based on the sector selected during installation the corresponding taxonomy will be loaded when iFILE is opened.

The following sectors are available for the user to choose:

- Banking
- Insurance
- Saudi Joint Stock (Others)

The user will have an option to select a language (English / Arabic) based on which the element labels and orientation will be updated in the tool.



The reporting templates will be generated in real-time based on the answers provided by the user for the scoping questions. The user will have the ability to select the sections to enter optional financial information in addition to the sections mandated by TADAWUL.

Based on the scoping questions, the tool will present the user with a set of templates as independent worksheet. Once all required information has been entered and the data has passed all the mandatory validation rules, the filers will be able to generate the XBRL instance document. This instance document will be uploaded to the IFSAH portal for validation, acceptance and further analysis by TADAWUL.

Key features of the desktop tool includes:

- Multi language display (Arabic/English)
- Text orientation based on selected language
- Industry specific templates
- Integration with Excel®. iFILE tool menu will be installed within the Excel® toolbar
- Navigation page lists all the sheets selected by the user
- Built-in taxonomy viewer: A taxonomy viewer is integrated into the tool to view the various taxonomy components like presentation view, calculation view, definition view, label view and schema view with element information
- Rich text editor for notes and footnotes: A rich text editor is provided to allow the filer to insert images and formatted text into the notes as well as footnotes sections

### Web based Preparation Tool (iWeb)

iWeb is the web based product of IRIS and is integrated with IFSAH platform. Users can fill the form online and submit the

details in one single click. Instance generation takes place internally.

- Simple GUI for reporting
- Separate forms for different classes of reporting items
- Validations for data integrity
- Easy reference to applicable taxonomy
- Dual language support
- Hides the complexity of XBRL
- Help menu, prompts and tutorials to help in the entry and filing process

### IFSAH Portal

IFSAH Portal is the online component of the platform. The web portal will allow companies to upload their XBRL instance documents in English or Arabic created by the iFILE desktop preparation tool or any other software application. The IFSAH portal is integrated with iWeb and hence supports web based filing submissions as well. The portal will run validations to ensure that the filing is XBRL compliant. The portal will also make sure the data is compliant with the business rules defined by TADAWUL.

### Key features of IFSAH Portal

**Maker-checker workflow:** This feature helps in enforcing the integrity of the document by having the company super user check the uploaded file that has been uploaded by company user. The system requires the company checker to review and accept the filing before it can be accepted for further processing.

**Web rendering and data export:** This feature helps produce a human readable output from the XBRL instance document. The generated output can also be exported into Word®, Excel® and PDF formats.

### Project achievements

- Arabic language support provided in the preparation tool (both iFILE and iWeb)
- The platform has passed penetration testing conducted by McAfee
- The platform has passed the non-functional testing (stress, load and performance testing) done using HP Load Runner



- The platform supports DB2 SQL replication between source and destination
- The Taxonomy incorporates Saudi Gap and IFRS 2011 standards
- Dynamic Corporate Announcement Taxonomy.
- Content and format of announcement changes with input provided by users
- Auto generation of summary elements providing snapshot of company's financials from detailed financial report.

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## About Tadawul

On the 19th of March 2007, the Council of Ministers approved the formation of The Saudi Stock Exchange (Tadawul). This was in accordance with Article-20 of the Capital Market Law establishing Tadawul as a joint stock company. Tadawul is the sole entity authorized in the Kingdom of Saudi Arabia to act as the Securities Exchange (the Exchange). It mainly carries out listing and trading in securities, as well as deposit, transfer, clearing, settlement, and registry of ownership of securities traded on the Exchange. The legal status, duties, and responsibilities of the Exchange and Depository Center are explicitly defined in the Capital Market Law (CML) issued by Royal Decree Number (M/30), dated on June 16, 2003. The Exchange is also the official source of all market information.

More information is available at: <https://www.tadawul.com.sa/wps/portal/tadawul/home>

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## About IRIS

IRIS Business Services Limited is a leading structured data solutions company with global presence in regulatory and compliance reporting software. The firm is uniquely positioned with offerings across the spectrum of creation, management and use of structured data in the realm of business and financial reporting. IRIS serves a client base that includes regulators in over a dozen countries around the world, leading banks, financial market intermediaries, consulting firms, financial printers as well as large and small enterprises. Our partner network includes large accounting firms, system integrators and specialized software and consulting firms that use IRIS' products and expertise to enhance their offerings to end clients.

Learn more about us at: [www.irisbusiness.com](http://www.irisbusiness.com)

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