

## Key Concepts of XBRL

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**Abstract:** XBRL is the need of the hour for business reporting world. It stands for eXtensible Business Reporting Language. It is the new business reporting language based on XML technology aiding in preparing and communicating business reports by the companies to the stakeholders. It is the new generation electronic language which is revolutionizing the traditional corporate reporting process into new and advanced electronic reporting system. This language is helping the companies to communicate their financial reports to a universal audience as it has the unique specification which is same for all the companies and follows consistency from one financial statement to another. XBRL consists of various core concepts that pave the way for preparing effective XBRL reports. In this article various key concepts significantly related to XBRL are discussed. The data used is of secondary nature.

**Keywords:** Business reporting, Corporate reporting, XBRL Concepts

### INTRODUCTION

XBRL stands for Extensible Business Reporting Language. To understand the key concepts of XBRL first of all one has to understand the meaning of the term XBRL. XBRL is a global standard language based on XML technology used for exchanging and communicating business information on the internet [1]. It is new generation business reporting language that provides various benefits to companies, analysts, investors as well as regulators. XBRL documents can be transformed to several formats such as a web page and a data file for spreadsheet and database software [2]. As a result it has fully transformed the corporate reporting process from slow and rigid paper-based into fast and flexible electronic reporting. XBRL is a standards-based way to communicate and exchange business information between business systems [4]. This feature of XBRL helps the users to compare and use data globally in a standard way. XBRL is a prototype language, created by the early users of eXtensible Markup Language (XML), in the accounting industry, was created in 1998, and became known as eXtensible Financial Reporting Markup Language (XFRML) and in 2000, an accounting industry specific language, eXtensible Business Reporting Language (XBRL) was released [3]. It aids in solving various reporting problems by making the reported information more accurate and eliminating any chance of errors and mistakes. XBRL is not about establishing new accounting standards but enhancing the usability of the ones that we have through the digital language of business, XML [5]. XBRL is the broad term which consists of various embedded concepts significant for the working of xbrl. Any user who wants to use XBRL

will have to first understand the various key concepts that form the essentials of XBRL.

### OBJECTIVES OF THE STUDY

The objective of this study is to analyse and throw some light on the various core concepts of XBRL which play significant role in corporate reporting process.

### DISCUSSION

The various key concepts of XBRL are explained as follows:

1. **XBRL Document:** An XBRL document is a combination of the taxonomy and the instance document. Taxonomy contains detailed description and classification of business & financial terms, while the instance document is made up of the actual facts and figures. Taxonomy and Instance document when aggregated together make up the XBRL documents.
2. **Taxonomy:** Taxonomy can be referred as an electronic dictionary of the reporting concepts. Taxonomy consists of all the data definitions, the basic XBRL properties and the interrelationships amongst the concepts. It includes terms such as Asset, Liabilities, Stock, cash, etc. Each term has specific attributes that help define it, including label and definition and potentially references. Taxonomies may represent hundreds or even thousands of individual business reporting concepts, mathematical and definitional relationships among them, along with text labels in multiple languages, references to authoritative literature, and information about how to display each concept to a user.

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3. **Instance Document:** An XBRL instance document is a business report in an electronic format created according to the rules and regulations of XBRL[1]. It contains various facts that are defined by the elements stored in the taxonomy. XBRL Instance document is the final report which is prepared in XBRL format. It must be linked with at least one taxonomy or may be used with group of taxonomies.
  4. **Fact:** It represents the numerical value of the concept used in an XBRL report. For example, Profit of A firm is Rs. 5000 would be a fact. The fact is represented by reporting a value of Rs. 5000 against a concept representing “profit”. At a technical level, facts are represented in an instance document by elements.
  5. **Concept:** It defines the data and provides meaning for a fact recorded in the Instance Document. Without the concept no financial term or data recorded in XBRL document can be understood by any person. Some of the examples of concept are, “profit”, “loss”, “Income”, “Expenses”, “Sales”, “Assets”, and “Liabilities” would be concepts.
  6. **Context:** Context express the period or date to which the value reported in XBRL document belongs to. Without the context the reported value will become meaningless. Therefore every data reported in the XBRL has its own unique context which is defined with a unique ID.
  7. **XML Schema:** An XML Schema describes the detailed structure of a document written in XML language. It is that language which is used for expressing limits about XML documents. There are various different Schemas languages. Some of the most significant ones include DTD’s (Document Type Definitions), XSD (XML Schema Definitions)[1].
  8. **Linkbases:** It refers to a system which provides additional information related to the elements defined in schemas like their labels and their interrelationships. There are various types of Linkbases like presentation, calculations, labels, reference, etc.
  9. **XBRL Versioning:** It refers to an arrangement system by which the creators and users of XBRL taxonomy can find solutions to the various problems that arise due to change of one version of taxonomy into any new and advanced version. The main objective of XBRL versioning is to effectively communicate the changes in new version of taxonomy to the users of XBRL data.
  10. **XBRL Formulas:** These represent the rules which are used in taxonomy[1]. The main objective of XBRL formulas is to allow validations of xbrl data contained in the XBRL report. As a result it allows the user to derive various computations and transformations like determining ratios, etc.
  11. **XBRL Assurance:** It refers to an efficient system that has the objective to provide reassurance to various users of XBRL reports that the file which is reported in XBRL format is correct or reliable as per XBRL rules and Accounting standards by the auditors. Nowadays many intuitions are providing the services of XBRL Assurances with their efficient approaches.
  12. **XBRL Validation tools:** These tools consists of those new era XBRL software’s that are applied on XBRL documents with the objective to check that whether the XBRL file that is prepared follow proper rules and regulations or not. It plays a significant role in controlling the errors and mistakes in the preparation of XBRL reports.

### CONCLUSION

There are various key concepts which are associated with XBRL language. These concepts form the heart of XBRL and are responsible for making XBRL reporting successful. Any user who want to prepare XBRL reports or want to try its hands on this new global business reporting language then he must possess the knowledge of these significant concepts to effectively and efficiently use XBRL in corporate reporting.

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