

Frequently Asked Questions

On May11, PwC conducted a public webcast, *How to make the best out of the XBRL situation*. During that webcast, we received over 100 questions via the Q&A function of the webcast software. This document provides answers to those questions that had broad and general value. If you have additional questions, please do not hesitate to contact one of the XBRL Specialists listed in the appendix of this document or your relationship partner:

Topic: Limited liability provision

Question: What will the impact to companies be when the liability provision expires?

Response: When the limited liability provision expires, the Interactive Data exhibit will be subject to the same liability provisions as the related SEC filing (e.g., 10-Q, 10-K, etc.).

Topic: Tools

Question: What tools are available for companies to use related to their XBRL submission and to streamline their financial reporting process. Where can you refer us for more information on software available for each of these purposes? Are these tools the same?

Response: We detailed in the webcast presentation file appendices a wide variety of tools, for the different purposes we described in the webcast: from taxonomy review and instance document creation, to analysis and benchmarking, to enablement and process enhancement. You will find high quality applications available from XBRL newcomers and old timers, as well as open source applications for environments that have resources to create and modify programming. As with any other "hot" topic, you will also find pretenders in the midst, and some vendors are not able to keep up with change or embrace best practices. There are lists of tools at the XBRL International and XBRL US web sites, and vendors will be demonstrating their capabilities at the XBRL International (May 2011) and XBRL US (September 2011) conferences.

Topic: Assurance

Question: Will auditor assurance be required by the SEC moving forward?

Response: The SEC rule currently states that there is no required auditor involvement related to the XBRL filings and the SEC has not issued any changes to the current rule. We understand that the SEC continually looks for market feedback on this issue. The Final Rule did make provision for issuers to obtain voluntary third-party assurance under PCAOB Interim Attestation Standard AT 101, and that issuers can start and stop obtaining such assurance at their discretion. Additionally, companies can request agreed upon procedure engagements from their auditors under the AICPA's SOP 09-1.

Topic: International issues

Question: What about XBRL requirements across the US and UK. How are companies that have locations in both the US and UK working through the tax and statutory XBRL requirements in the UK and the SEC XBRL requirements in the US?

Response: The UK mandate currently supports the UK and IFRS taxonomies, but HMRC has indicated plans to broaden that for the US GAAP Financial Reporting Taxonomy. Companies that adopt to a built-in or

embedded (rather than a 'bolt-on') approach and leverage standards like the IFRS taxonomy - even mapped to their existing UK or US GAAP data and taxonomies - may gain process efficiencies and be more agile as the situation changes.

Topic: Quality control

Question: Can I rely on my service providers for the reviews they undergo? They have a lot more experience than I do with these filings. Doesn't the review my service provider, or automated in house check, already cover all these concerns noted about the underlying data?

Response: There are a number of excellent individuals, and quality processes in place, at many of the service providers. However, these providers are not experts in your specific financial reporting needs or in making decisions on how you should communicate with investors and analysts. The time they can spend on an individual filing for anything but the automated review steps - and that makes up less the 1/3 of the available EDGAR Filer Manual rules, let alone the information inherent in the taxonomies - is limited. The SEC has noted that management cannot delegate their responsibility to their service provider. Stronger governance would include conducting your own evaluation, using different analytical and review tools, thereby protecting your image and communicating directly and accurately to your stakeholders in the marketplace. The quality control steps described in the AICPA's SOP 09-1 are a good place to go to look for potential danger spots.

Topic: Agreed upon procedure engagements

Question: How does PwC conduct an AUP engagement, and how long does it take to execute an AUP engagement?

Response: PwC uses several of the analytical tools that are noted in the appendix of the webcast deck. We've found that using multiple tools can help ensure a more robust process and where one tool may be great comparing the structure of the company disclosures, another may be better at running queries on the structure underlying the company disclosures.

In reference to the length of time it takes to execute an AUP, the answer is "it depends". We can adjust the procedures that we perform to address the key areas a client may be interested in. One example of how we may customize an AUP engagement is that we may not need to conduct the full set of procedures, if a client is already performing a detailed tie out, or isn't interested in a review of the company specific extensions, those procedures can be excluded from the scope of the agreed to procedures. Another way we have customized the procedures is through executing them on just a subset of the disclosures, rather than all disclosures in a filing. This flexibility can help companies target specific procedures, or areas of their financial statements, based on their interest. As a result, the cost and time frame to execute an AUP varies.

Topic: SEC communication

Question: Have any companies received a comment letter on their XBRL submission to date?

Response: We are not aware of any companies receiving comment letters from the SEC to date on XBRL Exhibits. We are aware only of information discussions. We are aware that the SEC Staff are beginning to use some of the XBRL enabled analytical tools to collaboratively perform qualitative assessments and analysis of company disclosures.

Over time, companies may begin to consider the implications of the enhanced analytical capabilities enabled by the standardized disclosures and apply these same principles and processes to draft company report disclosures.

Topic: US GAAP financial reporting taxonomy 2011

Question: When will the 2011 taxonomy be required to be used and the 2009 taxonomy deprecated? Will there be a 2012 taxonomy in the future? Why do the taxonomies keep changing?

Response: At this time, the SEC has only said that there will be an extended transition period for the 2011 taxonomy, largely due to the efforts by the Group 3 filers to prepare for their first filings using the 2009 taxonomy. There is no formal mandate from the SEC to use the 2011 US GAAP Taxonomy. Companies are presented with economic incentives to migrate from the 2009 to the 2011 US GAAP Taxonomy as it may work to reduce the time, effort and cost of managing company specific extensions for elements that are now included in the 2011 US GAAP Taxonomy.

The FASB has indicated plans for an annual formal update to the taxonomy. Changes are due to many causes - the biggest of which is that the taxonomies communicate GAAP and GAAP changes. Other changes are for corrections, improvements, global technical harmonization and expansion for greater industry details. In the longer term, companies might expect that taxonomy versions are more real-time and simply reflect the state of reporting requirements at a point in time.

Topic: 'Bolt-on' transition to 'Built-in'

Question: What is your experience with companies moving from bolt-on or outsourcing to built-in?

Response: Companies are increasingly considering built-in application implementations due to a range of process issues including:

- The 'Pencils down' period which can range from 24 to 48 hours in year 1 to 72+ hours in year 2; Bolt-on taxonomy mapping efforts are largely performed manually;
- Bolt-on document versioning is another manual effort and identifying changes in documents from one version is often an important but manual effort;
- Bolt-on validation processes may check only those objective rules and not address the many subjective rules that are critical to report quality;
- Bolt-on review and assessment processes commonly involve excel mapping files and browser based viewers that don't necessarily enable company personnel to effectively view and analyze the actual XBRL exhibit;
- Finally, the Bolt-on approach is incremental for cost and controls adding process complexity rather than reducing it.

As highlighted during the webinar, the number of companies migrating from the bolt-on to the built-in implementation approach is accelerating. Companies applying the standardization earlier in their reporting processes are able to use that standardized information to automate and streamline previously manual report assembly and review process steps. In so doing, companies adopting via the 'built-in' approach are reporting realized cost and time improvements of 25% to 50%+. Results vary depending on the company implementation approach.

Topic: 'Who is using XBRL?'

Question: "Who is using XBRL?" is a very common question.

Response: Sara Noble, Product Director from BlueMatrix outlined how the XBRL enabled BlueMatrix software platform is used by over 800 buy-side and sell-side firms for consumption and publishing of analyst reports. Sara also highlighted that in many cases it may be those in the back office of the analyst firms building and supporting firm models rather than the customer service analysts who are most aware of data sources and the benefits of XBRL structured disclosures that are timely, accurate, complete and free of third party distortions.

Sara also highlighted that analysts are more likely to obtain the XBRL structured company disclosures from the freely available SEC's EDGAR RSS Feeds that automatically and immediately push or broadcast these exhibits

directly to analysts rather than surfing to individual company investor relations websites where they have to manually download the posted XBRL Exhibits. As such, companies may want to consider using RSS Feeds on their own web sites to more effectively share XBRL structured disclosures including both mandated company reports and voluntary press releases.

There are a number of XBRL enabled analytical applications in the market being used by analysts and companies. Examples include the Morgan Stanley Modelware platform, the EDGAR-Online IMetrix and MicroStrategies iPad/iPhone Bank Performance applications. PwC's internal Interactive Data Platform (iDP) used by over 65,000 professionals each month is also an XBRL enabled analytical application. Further, there are other analysts who are blogging about the quality of XBRL exhibits, particularly with respect to inappropriate company specific extensions. The XBRL US site includes a listing of other XBRL enabled analytical applications.

Finally, we are also aware that companies using built-in applications are beginning to access and analyze the XBRL structured disclosures from targeted peer companies as part of their risk assessment and report drafting process. Companies are pulling in both numeric disclosures for quantitative analysis and modelling as well as targeted higher risk narrative disclosures for qualitative analysis.

Appendix

XBRL contacts

- XBRL US Leader
 - Jennifer Neglia – Philadelphia (267) 330-2915 jennifer.neglia@us.pwc.com
- PwC partners
 - Chuck Harris – Florham Park(973) 236-5340 charles.e.harris@us.pwc.com
 - Marc Panucci – Florham Park(973) 236 4885 marc.a.panucci@us.pwc.com
 - John Clements – San Jose (408) 817-3990 john.clements@us.pwc.com
 - Mike Willis - Tampa (813) 340-0932 mike.willis@us.pwc.com
- PwC National Office Senior Managers
 - Sara Ashton – Florham Park (973) 236 4495 sara.h.ashton@us.pwc.com
 - Pravin Nayar – Florham Park (973) 236-5594 pravin.nayar@us.pwc.com
 - Kristyn Ippolito – Florham Park (973) 236-4602 kristyn.ippolito@us.pwc.com
- XBRL Specialist Network includes: (provides technical assistance and guidance, tooling, etc.)
 - Chris Chung – San Francisco (408 505 0646) Christopher.S.Chung@pwc.com
 - Brian Schwab – Chicago (815 531-2101) Brian.M.Schwab@us.pwc.com
 - Denise Hadley – New York (646-471-7317) Denise.Hadley@us.pwc.com
 - Susan Whitelocke – New York (908-731-2574) Susan.a.whitelocke@us.pwc.com
 - Jeff Fields - Birmingham (205-250-5117) Jeffrey.M.Fields@us.pwc.com
 - Joe Freers – Detroit (313 396 6540) Joe.Freers@us.pwc.com
 - Mike White – Denver (720 931 7589) Michael.S.White@us.pwc.com
 - Kim Stull – Minneapolis (612 596 3959) Kim.stull@us.pwc.com
 - Elizabeth White – Philadelphia & DC (215-704-3685) Elizabeth.m.white@us.pwc.com
 - Rikav Shah – Boston (617-530-4183) Rikav.Shah@us.pwc.com
 - Charles Donina– Pittsburgh (412-849-5426) Charles.R.Donina@us.pwc.com
 - Guillaume Charron– San Jose (408-239-9345) Guillaume.R.Charron@us.pwc.com
 - Anthony Canning – Kansas City (816-218-1711) Anthony.Canning@us.pwc.com
 - Eric Hinrichs– St. Louis (816-255-8365) Eric.Hinrichs@us.pwc.com
 - Shawn Hafner– Florida (561) 281-6958) Shawn.Hafner@us.pwc.com
 - John Martin del Campo– Bermuda (441-531-0205) John.Martin.del.Campo@us.pwc.com