

FASB XBRL - Revised UGT

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Respondent information

Type of entity or individual:

User

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Questions and responses

1a. Do you find this proposed revision to the UGT calculation hierarchy useful? If yes, are there additional improvements you would recommend?

The improvements listed in the revision will definitely be useful for preparers and also for consumers of XBRL reports like us. Although the main motivation behind this revision is to eliminate the deficiencies caused by Presentation-centric UGT, I would argue that the work should be focused on improving both linkbases (Presentation/Calculation) to make one support the other rather than detaching them and improving only the second one. The Presentation linkbase is what the consumers of XBRL reports are used to look at first and I think it should evolve together with the Calculation linkbase.

1b. If you did not find this proposed revision to the UGT calculation hierarchy useful, why not? What would you propose instead?

N/A

2. For the monetaryItemType elements not included in any calculations, do you have any suggestions for inclusion in a calculation summation? Inclusion could be helpful to establish a valid relationship but should be mathematically relevant. (See Summary of Exceptions & Appendix 2 in the Invitation to Comment).

If the purpose of Calculation linkbase is solely validation of mathematical relationships then those elements should stay outside of the linkbase as it is the case now. However, if the Calculation linkbase is intended to trace some logical relationships beyond simple summation then one should consider combining the Definition linkbase and the Calculation linkbase, which might be outside of the realistic scope for the project.

3. Do you agree that the elements listed as redundant are in fact redundant? (See Summary of Exceptions & Appendix 3 in the Invitation to Comment).

I cannot be sure if they are redundant from accounting point of view. Nevertheless, if some of them are not redundant, their element names should be modified to better reflect the difference. The main problem with such elements becomes clear when one tries to use some text analysis algorithms. If we think about the consumer of the data, such confusing names should be resolved.

4. Do you agree with the listing of elements that are identified as more precise child elements in the revised calculation hierarchy? Are there any other examples of more precise child elements in the UGT? (See Summary of Exceptions & Appendix 4 in the Invitation to Comment).

Tend to agree with all of them.

5. Do you agree that the elements listed as outlier element combinations should not include a summation for the combinations they reflect? (See Summary of Exceptions & Appendix 5 in the Invitation to Comment).

Why not?! I assume the combinations should also contain some outlier elements, which reflect the "other" component on a more precise level. The summation should be allowed as long as it is justified at the more precise level. Again, from the user perspective, such outlier elements are great for preventing the companies from introducing extended elements.

6. What changes would you make to any of the calculations? Are there alternatives that you believe should be included or excluded?

The users of XBRL reports are expecting to get much more from the new data structure than just the conventional relationships localized within individual financial statements or disclosures. One may consider extending the calculation linkbase beyond fundamental accounting relationships to facilitate those calculations that connect financial statements with the notes and are used extensively in finance, e.g. EBITDAR. Obviously, such extensions should be defined by the filers rather than UGT but FASB could provide some basic framework.

7. The FASB is planning to continue consolidating and combining the remaining summations into fewer logical calculation summations as deemed appropriate. Would you prefer fewer calculation relationship groups than currently provided, for example, further collapsing of calculations?

I believe that connecting more calculation summations into some networks is better for the user.

8. For the incomplete calculations, which option ((1), remove the calculation, (2), add the missing component elements, (3), leave the calculations as incomplete) do you find the most useful? (See Summary of Exceptions & Appendix 6 in the Invitation to Comment).

In my opinion, semantically such higher level elements are justified in many cases. For example, Nonoperating Income (Expense) is a valuable concept that contrasts Operating Income concept. It is important for establishing visually logical complementarity in the hierarchical structure. So, I would not remove such elements. When the missing element is formally known but rarely or never reported, I would still add it to UGT. If the alternative cannot be pinpointed clearly, I would change the parent's name to "Child's name"+"andOther" and would remove the child element.

Additional comments - updt. Please provide any additional comments on the proposed Update:

The update is a great initiative towards simplifying the UGT. If the interaction with the XBRL community remains at this great level, many issues with the quality of XBRL reports may be eliminated quickly.