XBRL IN LATIN AMERICA

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ANA SEPÚLVEDA, OF THE SVS, CHILE; DORIS FLORES OF THE SBP, PANAMA; AND IGOR SAKUMA OF THE SBS PERU, LOOK AT THE DEVELOPMENT, CHALLENGES AND FUTURE OF XBRL IN THEIR COUNTRIES.

CAN YOU BRIEFLY OUTLINE THE HISTORY AND CURRENT DEVELOPMENTS OF XBRL IN YOUR COUNTRY?

ANA: The Superintendencia de Valores y Seguros (SVS), Chile's equivalent of the SEC, supervises security issuers. From 2009 issuers had to report financial statements under IFRS and XBRL. This has been a step by step process. At the beginning only a small group of corporations reported in XBRL, those with the largest market volume in their shares. In subsequent years other corporations followed suit. Currently all corporations supervised by the SVS report their financial statements in XBRL.

Another characteristic of our process was that until December 2011 it was only mandatory to prepare main financial statements, i.e., Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity. This year we have made mandatory some notes of the financial statements, i.e., Sub Classifications of Assets, Liabilities and Equities, Analysis of Income and Expense, Disclosure of Related Party, Disclosure of Investment in Associates and Subsidiaries, Interest in Joint Ventures, Disclosure of Share, Capital, Reserves and Other Equity Interest, Assets and Liabilities Financial, etc.

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The current taxonomy SVS CL-CI 2012 is an extension from the IFRS 2011 taxonomy. From the beginning, in 2008, we have used the IFRS taxonomy. Each year we issue a new version, always taking the IFRS taxonomy of the previous year. Mainly we use the IFRS taxonomy and we add some requirements according to Chilean rules.

IGOR: Currently, there are two XBRL initiatives in Peru: one by the Superintendency of Banking, Insurance and Private Pension Funds (SBS) and another by the Superintendency of Stock Market (SMV). Since 2011, SBS has developed a taxonomy for the banking system, based on Data Point Model (DPM) methodology. SBS has scheduled a voluntary reporting program for banking institutions starting in 2013. In 2012, SMV developed and implemented a taxonomy for its supervised companies, which will start filing in 2013.

DORIS: Panama began its adoption of XBRL in 2010 by participating in seminars, conferences and internships in different countries such as Chile, Uruguay and Spain (Bank of Spain).

In July 2011 the SBP convened local and international companies to participate in the tender for developing the XBRL pilot. This competitive bidding involved two Panamanian companies in consortium with international companies with vast and proven experience in taxonomy development aligned to IFRS and the adoption of the XBRL standard.

The joint venture consortium of local companies and international companies was advantageous, due to the limited local knowledge in Panama on the functional and technological concept of the XBRL standard. However, there are several organisations, public and private companies who are interested in learning more about the standard, to find a possible solution to the problem of standardisation in reporting and in turn to the development of tools to facilitate connectivity to systems existing financial information.

WHAT ARE THE MAJOR CHALLENGES YOU HAVE FACED?

ANA: The main challenge has been to cope with change. We had to do internal work with the different areas in order to motivate people to make the change. We also have to teach corporations and software providers to prepare and generate XBRL files.

IGOR: The first challenge was to understand and grasp the DPM methodology. That presented a new scenario for us, in terms of identifying and organising data and information requirements. Another challenge was to set up a team composed by business and information technology professionals, which could work speaking the same language. Finally, I believe the major challenge is yet to come: implementing a regulation-defined reporting program.

DORIS: The main challenge has been to clearly understand what XBRL is; what is the use,

benefit and advantage of the XBRL standard for businesses. Many participants perceive the financial sector as a matter of standard technology, which are exempted from objectively reflecting on the advantages of the standard. Furthermore, the design of the data model for the development of the taxonomy has been discussed with several internal and external sectors, aiming to harmonise concepts primarily in the areas that comprise IFRS, but localised to actual operations in Panama. Our first version of the taxonomy was subjected to the review and evaluation of top accounting firms in Panama, seeking greater contributions to help improve the model to minimise the impact of the conversion.

It is also important to note the need to facilitate access to qualified human resources, either pushing harder to train local talent or facilitating the arrival of foreign talent to develop solutions that support the XBRL standard.

WHAT IS THE GREATEST BENEFIT OF XBRL TO FILERS/ INVESTORS IN YOUR COUNTRY?

ANA: One of the primary benefits has been that for professionals from the accounting area XBRL has facilitated the adoption of IFRS norms. Due to the extension of the IFRS taxonomy, this provided us with a model of information for principal financial statements and the notes, where each element defined has a reference into the IFRS norm and its revelation.

It helped holdings in financial statement consolidation because we established a model of information that each firm of the holding must follow.

For investors it allowed them to work with the files of the different corporations, which are readily available on the internet, and which can easily be interpreted with relevant software, allowing analysis both individually and by sector.

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IGOR: We expect that, once reporting is implemented, we'll be able to sum up some information requirements, so filers will report just what is needed for supervising purposes. Also, there will be a good chance that some information will be filed to both supervisors (SBS and SMV) in one effort. But, most importantly, the fact that information requirements will be reviewed is a good sign in terms of reporting efficiency.

DORIS: The XBRL standard will enable the SBP increase the accountability and transparency in the publication of financial statements of the International Banking Centre as standard, comparable and aligned to IFRS for easy understanding of the users of this information. Similarly, our vision has a range that leads in promoting the exchange of financial information with other regulators in the region.

WHAT WOULD YOU LIKE TO SEE NEXT FOR XBRL IN LATIN AMERICA?

ANA: I would like that other countries follow the example of Chile, Panama and Peru and adopt XBRL and IFRS. I think that adopting these two standards together will enhance the utility of both. That way it will be easy and increase the benefits of having integrated markets. I think that the securities market through the stock exchanges could start the integration.

DORIS: It requires the creation of regional jurisdictions to encourage joint work between regulators of all types of economic and financial sectors to create a culture of technology standardisation and accounting.

Panama will strengthen its technological hub to ease the adaption of new technologies and enjoy the privilege of its geographical position. This position provides a competitive advantage to local and international companies, having a huge impact on attracting foreign and local innovation. **IBR**